

Attachment 1

**BONNEVILLE POWER ADMINISTRATION
HUMAN RESOURCES
Portland, Oregon**

PERSONNEL LETTER NO. 451-1 (Revised)

DATE: February 28, 2003

SUBJECT: BPA Recognition System

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SUBJECT: BPA Recognition System

I. PURPOSE

To describe Bonneville Power Administration (BPA) policy and procedures regarding recognition of organizational and employee accomplishments. This issuance establishes parameters within which organizations may design their own reward and recognition programs.

II. PURPOSE OF REVISION

- A. To revise the amounts that may be expended on recognition, revise the individual monetary award annual limit amount, revise language regarding BPA Success Share and Organizational Team Share targets, and clarify the method to be used to determine pro-rata award amounts for employees who were in a pay status at BPA less than full-time during the year. This issuance supersedes Personnel Letter No. 451-1 (Rev.), dated June 21, 2002.
- B. To amend the provisions of this issuance temporarily until further notice, as described in Appendix C.

III. REFERENCES

- A. 5 U.S.C., Chapter 45, Incentive Awards
- B. 5 CFR, Part 451, Awards
- C. BPA Manual Chapter 400/430, Performance Appraisal
- D. BPA Manual Chapter 400/451, BPA Recognition System
- E. Personnel Letter 430, Performance Appraisal
- F. Safety and Health Program Handbook, Section D

IV. RESPONSIBILITIES

A. The Chief Executive Officer (CEO)/Administrator:

1. Approves DOE Honorary awards listed in this issuance for BPA employees.
2. Approves all Administrator's Excellence Awards.

B. The Deputy Administrator or Chief Operating Officer:

1. Approves BPA Success Share targets, in consultation with appropriate key Executive Board members, including the Chief Financial Officer.
2. Determines whether BPA Success Share targets were met and whether the criteria specified in this issuance are satisfied in order to warrant any payout.
3. Approves all Cross-Agency awards.
4. Assists the CEO in reviewing recommended Administrator's Excellence Awards, including arranging for a representative employee group (e.g., BPA Recognition Council) to evaluate nominations and make recommendations.

C. Tier I Executives and Managers:

1. Monitor the operation of recognition plans throughout their organizations to ensure their use is effective and in accordance with the provisions of this issuance.
2. Determine whether to delegate design and administration of recognition plans to lower-tier managers not to exceed the Tier III level.
3. Approve all recognition plans used in their organization.
4. Approve Organizational Team Share targets used in all plans in their organization and ensure that such targets are consistent with the requirements in this issuance.
5. Determine whether Organizational Team Share targets were met and confirm any payout.

D. Executives and Managers with delegated authority to design and administer organizational recognition plans:

1. Develop a written description of their recognition plans in accordance with the requirements of this issuance, obtain approval from a Tier I executive or

manager, and ensure that managers and employees in their organizations are aware of the plan's provisions.

2. Calculate the amounts of their Organizational Team Share and Individual/Group Results award funding pools in accordance with the provisions of this issuance.
3. Monitor expenditures to ensure that costs do not exceed the amounts of applicable funding pools and to ensure that the annual limit on individual recognition is not exceeded.
4. Recommend Organizational Team Share targets to be used in their organization and obtain higher-level approval.
5. Ensure that informal recognition items used in their organizations are of nominal value and are appropriate for public use consistent with the prudent expenditure of public funds.
6. If delegated authority by a Staff Manager, approve, in advance, the purchase and intended use of light refreshments or casual meals for recognition-related celebrations, ensuring that such purchases and intended uses are in accordance with the provisions of this issuance.
7. Budget adequate funds to cover all recognition-related expenses that are charged to their organization's accounts.

E. The Manager, Human Resources, Diversity and EEO:

1. Develops and issues BPA's recognition policy.
2. Evaluates the effectiveness of BPA's recognition policy and its administration by others, as needed, and follows through with appropriate action to address significant problems.
3. Reviews nominations of individual employees for DOE and BPA honorary awards for EEO achievements and recommends appropriate action by the CEO.
4. Nominates BPA organizations for DOE and BPA honorary awards for EEO achievements.

F. The Manager, Personnel Services:

1. Organizes BPA-wide recognition celebrations in conjunction with both any BPA Success Share payout and the annual Administrator's Excellence Awards ceremony.
2. Obtains DOE/BPA Honorary Awards and Career Service materials for use by organizations.

3. Forwards qualifying Employee Referral Program forms to Staff Managers for award processing.

G. Staff Managers:

1. Approve, in advance, the purchase and intended use of light refreshments or casual meals for recognition-related celebrations (or delegate such approval authority to Tier I, II or III managers), ensuring that such purchases and intended uses are in accordance with the provisions of this issuance.
2. Provide necessary ledger correction information to Financial Operations in order to charge award costs to a nominating organization in accordance with the provisions in this issuance.

H. The BPA Recognition Council:

1. Reviews the overall effectiveness of BPA's Recognition System and issues recommendations (to the Senior Vice President for Employee and Business Resources) for needed changes or areas of increased emphasis.
2. If requested by the Deputy Administrator or Chief Operating Officer, evaluates nominations for the Administrator's Excellence Awards and recommends selectees to the CEO.

I. Managers:

1. Approve awards, or recommend employees for awards, in accordance with the procedures in this issuance, which vary for different types of awards.
2. Grant informal recognition to employees in accordance with procedures in this issuance and any applicable operating instructions.
3. Strive to continuously express appreciation to employees for their accomplishments in order to reinforce a recognition-rich culture.

J. Employees:

1. Recommend other employees for awards, in accordance with the procedures in this issuance that permit such recommendations for certain types of awards.
2. Grant informal recognition to other employees in accordance with procedures in this issuance and any applicable operating instructions.
3. Strive to continuously express appreciation to employees for their accomplishments in order to reinforce a recognition-rich culture.

V. POLICY

- A. Basis for Recognition. Recognition is granted to employees solely on the basis of organizational or individual accomplishments and is not to be used for any other purpose (e.g., to address salary or wage levels that are believed to be below market levels, as a retention tool to encourage an employee to remain employed at BPA or remain in a specific position, etc.).
- B. Recognition Culture. Separate from the system elements described in this issuance, the environment in which these tools are used is equally important to the operation of a successful recognition system. Specifically, it is essential to have a recognition-rich culture. This means that managers, as well as all employees, must strive to continuously express appreciation to employees for their accomplishments. This extends not only to significant accomplishments that may warrant formal recognition through a monetary or non-monetary award, but also for noteworthy efforts and other successful achievements (e.g., completing difficult assignments, resolving complex problems, filling in for absent employees, etc.).
- C. Individual Monetary Award Annual Limit. There is a \$10,000 limit on individual monetary recognition per fiscal year per employee. This applies to the sum of all types of monetary recognition except as noted in Appendix A, Table 2. Organizations are responsible for the monitoring of awards granted to ensure this limit is not exceeded.
- D. Duplicate Awards. An employee may not receive more than one award for the same contribution. For example, if an employee is given a monetary award for a special project but also received an On-the-Spot award earlier for performance related to the same project, the value of the earlier award must be taken into account in determining the amount of the subsequent award.
- E. Delegation of Authority to Establish Organization-Specific Recognition Plans. Tier I executives and managers may delegate design and administration of recognition plans to the Tier III level, but no lower.
- F. Method of Payment for Monetary Awards. Payment of all types of monetary recognition in this issuance for current employees shall be processed in conjunction with employees' salary/wage earnings payments.
- G. Monetary Recognition for Performance Managers. BPA Performance Managers are eligible to receive any recognition described in this Letter when they meet the qualifying criteria. However, recognition should be consistent with the split between performance management and technical elements in the individual manager's performance contract. A BPA Performance Manager is defined as:

An individual who has the authority to establish goals for the work unit; identify significant assignments, projects, and problems to be solved, and

deadlines for completion; assure that production and accuracy requirements are met; approve and disapprove leave requests; evaluate work performance of subordinates and assign performance standards and ratings; identify developmental and training needs of employees, providing or arranging for needed development and training; effect or recommend disciplinary actions; establish work unit policies and issue supplemental instructions as needed; and interview candidates for positions in the unit, recommend appointment, promotion, or reassignment to such positions.

- H. Monetary Recognition for Senior Executive Service (SES) Employees. Bonneville Power Administration SES employees are not eligible for awards under any part of the BPA Recognition System. DOE operates a separate program and approves all awards for SES employees. It is BPA policy to nominate its SES employees for a DOE award equivalent to the actual BPA Success Share payout each year, and for a DOE performance bonus commensurate with BPA's Organizational Team Share and any individual recognition that is warranted.
- I. Accounting. Except for Employee Referral Program and Cross-Agency awards, all other awards are charged to the recipient's organization. However, a limited number of ledger corrections are permitted in those cases where both the nominating organization and the recipient's organization determine that it is more appropriate for the cost of the award to be charged to the nominating organization. Such corrections should generally not exceed 1 percent of all awards processed at BPA, but exceptions can be approved by Tier I executives and managers or their designees. When such corrections are desired, organizations will provide the necessary information to Financial Operations and shall take such steps as are necessary to avoid sending corrections at the end of the fiscal year.

VI. TRAINING/ORIENTATION

- A. Managers. Recognition System training is mandatory for all managers. New managers will receive training as part of their attendance at New Managers Training, in order to facilitate their understanding of the various system elements and their underlying philosophy. Existing managers will receive annual refresher training in the form of workshops held during the first quarter of the fiscal year. The focus of such workshops will include a review of the system's elements, the results of the BPA Recognition Council's assessment regarding the previous fiscal year's results, and any resulting special emphasis directed at improving the effective use of BPA's Recognition System.
- B. Employees. The Recognition System will be presented as part of New Employee Orientation. In addition, various material and notices will be distributed or publicized periodically informing employees of any significant changes or developments.

VII. RECOGNITION SYSTEM ELEMENTS

BPA's Recognition System consists of numerous elements, some of which are both designed and managed centrally for all of BPA, others are designed centrally but administered at the organizational level, and others are both designed and administered at the organizational level. Each organization with delegated authority to design and administer its own recognition plan must develop and publish a written description of the plan and ensure that managers and employees are aware of its provisions. If substantive changes are made to an organization's plan, Labor Relations staff is to be consulted for a determination as to whether the change will require review by any of BPA's bargaining units. The table below: lists each element; describes general coverage/eligibility for each element; and notes which elements must be described by organizations in their organization-specific recognition plans.

Element	General Coverage/Eligibility*	Description Required in Organizational Plans?
1. BPA Success Share	All employees	No
2. Organizational Team Share	All employees	Yes
3. On-The-Spot	All employees	Yes
4. Time Off	All employees if used	Yes, if used (use is optional)
5. Individual/Group Results	All employees	Yes
6. Cross-Agency	All employees	No
7. Safe Driver	Employees in professional drivers positions only	No
8. Safe Flyer	Employees in professional pilot positions only	No
9. Safety Award Program	Employees in positions designated in Safety/Health Program Handbook	No
10. System Dispatchers' Safety Award Program	Employees in Dispatcher classifications	No
11. Employee Referral Program	All employees except those in Personnel Services directly involved in recruiting/hiring processes, including support employees.	No

Element	General Coverage/Eligibility*	Description Required in Organizational Plans?
12. DOE/BPA Honorary Recognition	All employees	No
13. BPA Informal Recognition	All employees	No
14. Organizational Honorary Recognition	All employees if used	Yes, if used (use is optional)
15. Organizational Informal Recognition	All employees if used	Yes, if used (use is optional)

* See specific descriptions elsewhere in this issuance, which may include some further eligibility restrictions (e.g., minimum service requirements to receive BPA Success Share).

VIII. FUNDING

- A. Funding Pools. There are two separate funding pools: Organizational Team Share and Individual/Group Results. (Note: BPA Success Share, because it is based on achieving “stretch” targets, is not “funded” [budgeted for] in advance. Instead, it is paid only from “monies” [budgetary resources] that are created by extraordinary financial performance during the fiscal year that translate into revenue increases and/or cost savings in amounts sufficient to cover the payouts.) Fund amounts for each pool are listed in Appendix A, Table 1. Appendix A, Table 2, lists various types of expenses related to every element of BPA’s Recognition System and notes which of the funding pools they are charged against. (Note, however, that there are some expenses [e.g., Employee Referral Program, Cross-Agency, funding for expenses related to the Administrator’s Excellence Awards, etc.] that are funded separately and are not charged against either of the two funds listed below.) Organizations are responsible for budgeting adequate funds to cover expenses that are charged to their accounts.
- B. Uniform Method for Calculating Dollar Amounts for Funding Pools. The following process will be followed for determining the dollar amounts for each pool.
 1. Organizational Team Share. The “amount for Team Share per FTE” is estimated centrally through a process that includes the Finance staff projecting the straight-time payroll expected for the year, taking into account the pro-rated value of expected adjustments to General Schedule and negotiated pay rates. Regardless of an organization’s own expected payroll, the amount per FTE is then used BPA-wide by each organization and multiplied by its projected FTE to determine the size of its Organizational Team Share funding pool.
 2. Individual/Group Results. Each organization with delegated authority to design and administer its own recognition plan will determine its respective, projected

base payroll for the year, taking into account projected FTE and the prorated value of expected adjustments to General Schedule and negotiated pay rates that are used centrally by Finance for budget and other purposes.

- C. Transferability of Funds from One Pool to Another Pool. With one exception, funds may not be transferred or rolled-over from one pool to another pool. The one exception is an organization that does not use its entire Individual/Group Results fund by the end of a fiscal year. In that case, a maximum of 10 percent of the Individual/Group funding pool may be rolled-over to augment the Organizational Team Share funding pool that is used to recognize accomplishments for the same fiscal year.
- D. Maximum BPA Success Share Payout. Although it is not “funded” in advance, the amount that can be expended through BPA Success Share awards is limited by policy. Specifically, the maximum amount that may be spent is equal to 0.5% of BPA’s projected straight-time payroll, using the same methodology noted for Organizational Team Share purposes. This amount is centrally determined by Finance and is used for all employees.

IX. RECOGNITION COUNCILS

- A. BPA Recognition Council. The Senior Vice President for Employee and Business Resources establishes the BPA Recognition Council, the composition of which will be representative of BPA. The Council will review the overall effectiveness of BPA’s Recognition System and issue recommendations (to the Senior Vice President for Employee and Business Resources) for needed changes or areas of increased emphasis. The Council will meet at least quarterly. In addition, the Council may be used, at the request of the Deputy Administrator or Chief Operating Officer, to evaluate nominations for Administrator’s Excellence Awards and to recommend selectees to the CEO.
- B. Organizational Councils. Each organization with delegated authority to develop its own recognition plan shall form a council consisting of manager and employee representatives. The council will design and recommend a recognition plan to the organization’s VP for approval, or to another appropriate manager if design of a plan has been delegated to a lower level. In addition, at the discretion of each such organization with its own recognition plan, the council may also fulfill an ongoing oversight and advisory role regarding the operation of the organization’s recognition plan. Each organization’s approved recognition plan must address the council’s role (which must be advisory), its responsibilities, and its membership requirements.

X. DOCUMENTATION REQUIREMENTS

The Human Resources Management Information System (HRMIS) is used to initiate monetary and time off award nominations. Employees, other than managers, may make informal recommendations for such awards to the intended recipient’s manager. (Additional

documentation, procedures, and instructions may apply to specific elements of BPA's Recognition System and are contained in the sections of this issuance describing such elements.) HRMIS will initiate the action and the SF-50 (Notice of Personnel Action), but will not generate a certificate for the recipient. A certificate may be prepared, as appropriate, for presentation to the recipient (see e-form BPA F3450.11e to generate a certificate).

XI. RECOGNITION CELEBRATIONS AND LIGHT REFRESHMENTS/CASUAL MEALS

- A. Celebrations. Personnel Services is responsible for organizing BPA-wide recognition celebrations in conjunction with any BPA Success Share payout and the annual Administrator's Excellence Awards ceremony. Funding for BPA Success Share events is provided by Personnel Services. The Office of the Administrator provides funding for the Administrator's Excellence Awards ceremony. Organizations are encouraged to conduct and fund appropriate celebration events in conjunction with recognition-related events, subject to the rules below.
- B. Light Refreshments/Casual Meals. Light refreshments and casual meals may be provided for celebrations that are expressly for the purpose of recognizing and celebrating employee and/or group accomplishments. The authority for such expenditures for recognition-related events derives from 5 U.S.C., Chapter 45, Incentive Awards. Examples of appropriate events include the BPA-wide events mentioned in the preceding paragraph, as well as other accomplishments/events such as Organizational Team Share celebrations, completion of significant projects and work efforts, local community service projects sanctioned by BPA, and other comparable achievements. (See paragraph XII.I. regarding safety award celebrations.) Farewell celebrations and other similar get-together activities are not considered appropriate events for providing light refreshments or casual meals. The following rules apply to providing and funding light refreshments and casual meals for recognition-related events. **Purchasers and authorizing officials are cautioned that violation of these rules is not permitted and might constitute misconduct.** (*Note: These rules do not pertain to provision and funding of refreshments or meals for any purpose or event that is not recognition-related, such as BPA-sponsored conferences and similar events when attendees are in a travel status. The authority for such expenditures is distinct from that for recognition-related events and is overseen by BPA's Office of The Chief Financial Officer.*)
1. Definitions. Light refreshments are incidental refreshments that include but are not limited to items such as doughnuts, bagels, fruit, pretzels, cookies, chips, and muffins. Beverages may include coffee, tea, milk, juice, and soft drinks. Casual meals include such items as pizza, sandwiches, or barbeques, but do not include meals that the public would consider to be excessive or extravagant. Alcoholic beverages may not be provided under any circumstance, nor can such beverages be brought onto BPA owned or leased property under any circumstance.

2. Cost Limits. In addition to meeting the definition of light refreshments or casual meals listed above, there is a \$10 limit per person, per event (including gratuity, if applicable, and any preparation/serving cost). Hence, food at celebrations must meet both criteria. Non-casual meals that cost less than \$10 per person are not authorized. Incidental refreshments or casual meals that exceed an average of \$10 per person are also not authorized.
3. Location. Light refreshments or casual meals should be provided on BPA-owned or leased premises whenever possible. Off-site locations may be used as a last resort only if there are no appropriate on-site locations.
4. Procedures for Obtaining Approval to Offer Light Refreshments/Casual Meals and Other Documentation. The appropriate Staff Manager must approve the purchase of light refreshments or casual meals for celebrations using BPA F. 2200.01e. (The Staff Manager may delegate this approval authority to Tier I, II, or III managers.) Such approval must be received in advance of any expenditure or financial obligation and be noted on related procurement and disbursement documents. (If a Purchase Card is used, a copy of the BPA F.220.01e must be attached to the Cardholder's monthly bank statement.)

XII. RECOGNITION PROGRAMS

- A. BPA Success Share. The BPA Success Share Program is based on agency accomplishment of one or more pre-designated targets established each fiscal year. When paid, Success Share benefits will be shared with all eligible employees.
 1. General.
 - a. All eligible BPA hourly, annual, and SES employees share equally. (SES employees receive their share through a DOE award. See paragraph V.H.)
 - b. The content and number of BPA Success Share targets may vary from year to year. They are determined each fiscal year through a process led by the Strategic Planning organization. The process includes consideration of input from bargaining units. The Deputy Administrator or Chief Operating Officer, in consultation with key Executive Board members, as appropriate, approves final BPA Success Share targets. All Success Share targets are characterized as "stretch" targets, intended to reflect very high levels of BPA-wide performance that depend on extraordinary BPA financial performance to generate the budgetary resources to pay the Success Share awards. These awards are not budgeted for at the start of the year and, therefore, depend on revenue increases and/or cost savings in amounts sufficient to cover the Success Share payouts. Success Share payouts will not be made unless BPA's net revenue (exclusive of any adjustments due to refinancing of Energy Northwest debt and access to the Fish Cost

Contingency Fund) is positive for the fiscal year, regardless of improvements that may have been made in financial performance from start-of-year expectations.

- c. Targets that relate to results of employee surveys may not be established for Success Share.
 - d. Progress toward accomplishment of targets will be assessed periodically and reported to the workplace at start of year, June, and November, at a minimum.
 - e. An Agency-wide, BPA-funded celebration may be held each year concurrent with the payout. Personnel Services will fund light refreshments. If there is no payout for a given year, a celebration will not be sponsored. Field organizations may participate in this centrally funded event if they hold a celebration at the same time (or very close in time), provided such celebrations are coordinated with Headquarters staff.
2. Eligibility. All BPA hourly, annual, and SES employees with “successful” performance ratings, including those who retire during the year, will be eligible, provided they work the minimum number of hours during the fiscal year as shown below. The following categories of employees will not be eligible.
- a. Employees in a pay status with BPA less than 320 hours during the fiscal year, based on the Human Resources Management Information System (HRMIS) Time and Labor reports.
 - b. Employees who separate from BPA prior to the end of the last full pay period in the fiscal year (this does not apply to retirees), as well as any employee who is involuntarily separated for cause after that date but prior to the actual effective date of the BPA Success Share pay-out.
3. Pro-Rated Amounts. The total payout will be divided equally among all eligible employees who were in a pay status during the fiscal year at BPA for at least 1,760 hours. All other eligible employees who were in a pay status for less than 1,760 hours during the fiscal year at BPA will have their share amounts pro-rated based on the number of hours they were in a pay status (i.e., number of hours in a pay status at BPA divided by 1,760). HRMIS Time and Labor reports will be used to apply these rules (“pay status” hours are regular time worked, annual leave, sick leave, holiday time, excused absence, military leave, and “continuation of pay” time under FECA). The minimum payout to any eligible employee will be \$50.

4. Determination of Amount of Payout.

- a. The Deputy Administrator or Chief Operating Officer will determine which BPA Success Share targets were met, whether the budgetary resources were generated, and whether the net revenue position of BPA is positive. Aside from applying the “performance” requirements reflected in the targets to determine the scheduled payout amount (see paragraph XII.A.4.b.), the following rules apply to the determination as to whether financial resources are available to support any scheduled payout amount.
- (1) No payout will occur if BPA does not make its scheduled annual payment to the Department of the Treasury.
- (2) No payout will occur if BPA does not finish the year with positive net revenues, as defined in paragraph XII.A.1.b.
- (3) The “full” scheduled payout amount (see paragraph XII.A.4.b.) will not occur if BPA, as a whole for the fiscal year, has not increased its net revenues over start-of-year budget estimates by an amount sufficient to cover the cost of the scheduled payout amount. If net revenues are increased, but the monetary value is less than the full amount needed to cover the total scheduled payout amount, the actual payout will be limited to the monetary value of the net revenue increase that was realized.
- b. All targets are weighted equally. Each BPA Success Share target may identify a range of results, provided that the lower end reflects “stretch” performance as defined in paragraph XII.A.1.b. in this issuance. Each BPA Success Share target that is achieved (i.e., at least the lower end of the target range is met) will result in a fractional payout, provided that any threshold that is established for any payout is met (see preceding paragraph). If the results are at the upper end of the range, full payout for that target will occur. If the results are at the lower end of the range, one-half of the “full” payout amount for that target will be paid. If the results fall within the lower and upper ends of the range, an appropriate proportional payout will be paid. See the example below. Payouts will be included in wage/salary payments, normally in mid-November. Payout is made through the accrual process using funds from fiscal year of achievement.

Example, using 2 targets:

Target	% Possible	Achieved	Payout %
1	50%	Yes, upper end	50
2	50%	Yes, lower end	25
BPA Success Share Total Payout			75%

B. Organizational Team Share. All BPA organizations that develop and manage their own recognition programs shall include an Organizational Team Share award that is linked directly to achievement of organizational targets.

1. General.

- a. Targets that relate to results of employee surveys may not be established.
- b. Senior Vice-Presidents (or the most senior official in Corporate organizations that do not report to a Senior Vice-President) will approve determinations of which targets were met and confirm any payout for all Organizational Team Share plans in their organizations. *If BPA does not make its scheduled annual payment to the Department of the Treasury, the amount of all Organizational Team Share funding pools will be reduced by 50 percent.*

2. Content of Targets.

- a. Targets are to reflect the goals, including financial goals, which are critical to an organization's success. Each employee in the organization should be able to relate his or her own performance efforts to one or more of the targets.
- b. Organizations are encouraged to include targets that reflect those aspects of agency-level targets (the establishment of which is coordinated through the Strategic Planning staff) that they contribute to. (For example, if BPA's accident rate is included in BPA's agency-level targets, the Transmission Business Line [TBL] should establish an Organizational Team Share target that addresses its accident rate, given the predominance of TBL positions with duties that place employees at risk of accidents.) However, Organizational Team Share targets are not to include agency-level targets that have been selected for BPA Success Share purposes as efforts against these targets are recognized through any BPA Success Share payout.

3. Eligibility. All hourly and annual employees with "successful" performance ratings, including those who retire during the year, will be eligible, provided they work the minimum number of hours during the fiscal year as shown below. The following categories of employees will not be eligible.

- a. Employees in a pay status with BPA less than 320 hours during the fiscal year, based on HRMIS Time and Labor reports.
- b. Employees who separate from BPA prior to the end of the last full pay period in the fiscal year (this does not apply to retirees), as well as any employee who is separated for cause after that date but prior to the actual effective date of the Organizational Team Share pay-out.

4. Pro-Rated Amounts. The total fund will be divided equally among all eligible employees who were in a pay status during the fiscal year at BPA for at least 1,760 hours. All other eligible employees who were in a pay status for less than 1,760 hours during the fiscal year at BPA will have their share amounts pro-rated based on the number of hours they were in a pay status (i.e., number of hours in a pay status at BPA divided by 1, 760). HRMIS Time and Labor reports will be used to apply these rules ("pay status" hours are regular time worked, annual leave, sick leave, holiday time, excused absence, military leave, and "continuation of pay" time under FECA). The minimum payout to any eligible employee will be \$50.

C. On-the-Spot (OTS).

1. This award recognizes a noteworthy contribution accomplished over a short period of time. This program may also be used as a vehicle for organization team or group awards, within OTS parameters. Any BPA team or individual employee is eligible. Awards will be presented as soon as possible after the accomplishment.
2. Limits. The minimum amount of each award is \$100 and the maximum is \$200 for an employee. There is no limit for a team as long as the individual team members do not receive more than the \$200 maximum. An employee may not receive another award later based on this same accomplishment, unless the subsequent award is reduced by the amount of the OTS. There is no limit to the number of awards an employee may receive.
3. Approval. The immediate manager is the approving official for OTS awards. If the nominator is not the immediate manager, the nominator must recommend the award to the manager.

D. Time Off.

1. This award is for employee achievements that contribute to the quality, efficiency, or economy of operations.
2. Time-off awards are non-monetary by definition. They are not reflected in the recipient's pay.
3. Amounts of Awards. An employee may be granted up to 40 hours of time off per award and up to 80 hours of time off in any leave year. A part-time employee, or an employee with an uncommon tour-of-duty, has an annual time-off limit of the average number of hours of work in the employee's biweekly scheduled tour of duty. The benefits realized from the employee's contribution should be considered in determining the amount of the time off award. A Vice President or higher may request an exception to the 40-hour

limit from the Manager, Human Resources, Diversity and EEO, as long as the annual total does not exceed the 80-hour maximum.

4. Approvals. The immediate manager may approve awards of two days or less. Awards greater than two days must receive upper-level concurrence.
5. Scheduling and Use. Time-off awards must be used within 26 pay periods from the date granted. In order to reinforce the connection between the accomplishment being recognized and the time-off award, the manager is encouraged to approve use of the time off as soon as possible after the award is received. A time off award shall not convert to a cash payment under any circumstances.
6. Transfer between Agencies. BPA will honor a time-off award that has not yet been used by an employee who is hired from another Federal agency. BPA employees transferring to another Federal agency are encouraged to use time-off hours prior to leaving BPA, as the new agency has discretion as to whether to honor any unused time off award.

E. Individual/Group Results.

1. Purpose. This award may be granted to an employee or a group of employees for continued achievement of work results that support business goals and are significantly above and beyond expectations. This may include one-time achievements or ongoing performance that occurs throughout the year.
2. Approvals. This award requires approval by the recipient's manager and second-level manager.
3. Recognition of Performance Managers. If given to a performance manager, such recognition should be consistent with the split of performance manager and technical elements in the manager's performance appraisal plan. If given to recognize accomplishment of performance manager duties, such achievements must be significantly above and beyond expectations.
4. Roll-Over of Unused Funds. An organization that does not use its entire Individual/Group Results fund by the end of a fiscal year is permitted to rollover a maximum of 10 percent of the fund to augment its Organizational Team Share funding pool that is used to recognize accomplishments for the same fiscal year.

- F. Cross Agency. To support cross-agency recognition, the Office of the COO uses its own funds to supplement awards that become a funding issue between organizations. Such group awards are sent to the Executive Operations Manager, who will coordinate review by the Deputy Administrator or Chief Operating Officer. The Executive Operations Manager also provides information on suitable

alternatives for distinguishing award amounts among individuals if desired by the nominating official.

- G. Safe Driver. BPA employees in the “professional driver” category qualify for monetary special achievement awards based upon receipt of award certificates from the National Safety Council for each 5-year period without a preventable accident.
1. Amounts of Awards. These awards are \$250 for a 5-year certificate, \$500 for a 10-year certificate, \$750 for a 15-year certificate, \$1,000 for a 20-year certificate, \$1,250 for a 25-year certificate, and \$1,500 for a 30-year certificate.
 2. Approvals: A memo generated by the BPA Safety Office and addressed to the manager serves as the justification for the award. The manager sends the memo to the appropriate administrative staff for review and preparation of an award nomination. Concurring signatures are obtained from the appropriate Tier II Manager.
- H. Safe Flyer. BPA employees in the “professional pilot” category in Aircraft Services qualify for monetary special achievement awards under procedures maintained by the BPA Safety Office for each 5-year period without a preventable accident.
1. Amounts of Awards: These awards are \$250 for a 5-year certificate, \$500 for a 10-year certificate, \$750 for a 15-year certificate, \$1,000 for a 20-year certificate, \$1,250 for a 25-year certificate, and \$1,500 for a 30-year certificate.
 2. Approvals: An award nomination is generated by Aircraft Services. Concurring signatures are obtained from the Tier II Manager.
- I. Safety Award Program. Employees with routine on-the-job exposure to multiple risk activities qualify for non-monetary recognition through the Safety Award Program. Through the Program they receive, annually, a \$25 credit for each quarter of accident-free service. The certificates may be redeemed for authorized merchandise. They cannot be exchanged for cash. Specific information is provided in the BPA Safety and Health Program Handbook, Section D, Chapter 1. Light refreshments or casual meals may be offered in connection with safety award celebrations. The procurement and provision of such items must be consistent with Section XI. in this issuance unless an authority other than the Incentive Awards Act is used, in which case any requirements established by the Office of the Chief Financial Officer must be met.
- J. System Dispatchers’ Safety Award Program. Eligible employees who demonstrate enhanced safe work practices qualify for non-monetary recognition. Annually, they may receive a \$25 credit for each quarter of accident-free service. The certificates may be redeemed for authorized merchandise. They cannot be exchanged for cash. Specific information is provided in the BPA Safety and Health Program Handbook, Section D, Chapter 3. Light refreshments or casual meals may be offered in

connection with safety award celebrations. The procurement and provision of such items must be consistent with Section XI. in this issuance unless an authority other than the Incentive Awards Act is used, in which case any requirements established by the Office of the Chief Financial Officer must be met.

K. Employee Referral Program (ERP).

1. Criteria. This program enhances recruitment for difficult-to-fill jobs/positions by providing an opportunity to provide monetary awards to employees who refer outside applicants for designated positions. BPA employees, other than employees in Personnel Services who are directly involved in recruiting and hiring processes (including support employees), are eligible to receive a monetary award for referring applicants for the difficult-to-fill positions/jobs identified in Appendix B.
2. Award Amounts. Employees are eligible for a total cash award of \$1,000: \$300 for referral and hiring, and \$700 if the referred applicant/employee remains with BPA for 1 year. This is subject to the individual award limit.
3. Procedures. BPA vacancy announcements indicate eligibility for the ERP. An eligible employee can obtain Form BPAF3451.1A, Employee Referral Program, from the BPA Employment web site. The employee and applicant complete the form and submit it to Personnel Services, Employee Referral Program. In the event that more than one employee refers the same applicant, the referral that Personnel Services receives first will be the one eligible for an award. Upon processing, Personnel Services provides a copy of the referral form to the Staff Manager, who will then process the award.

L. DOE/BPA Honorary Recognition.

1. Career Appreciation Plaque and/or Letter: A career appreciation plaque, or comparable item chosen by the employee from a selection provided by Personnel Services, will be awarded upon retirement of an employee who has completed 10 or more years Federal service. It may be granted posthumously. A letter citing the recipient's service and attainments, signed at the Vice President level or above, accompanies the award. An employee not qualified for the plaque upon retirement will receive a letter of appreciation that summarizes the employee's key accomplishments, signed at the Vice President level or above.
2. Career Service Emblems. Employees receive BPA emblems to commemorate 5, 10, 15, 20, 25, 30, 35, 40, 45, or more years of Government service. The employee's service computation date, which includes verified military and civilian Federal service creditable for retirement purposes, is used to determine the eligibility date.

3. DOE Distinguished Career Service Award. This is the highest level of recognition of career service to the Government granted upon retirement by the CEO. It is not linked to other DOE/BPA awards and is not intended to be given in lieu of other honor awards. It consists of a plaque signed by the CEO.
 - a. Criteria. Any employee is eligible with a minimum of 20 years of creditable service that includes superior career achievements as recognized by two or more of the following criteria: Presidential or agency incentive awards, outstanding appraisals, quality step increases, or other appropriate evidence. Commendations or certificates of appreciation are not equivalent evidence for this purpose.
 - b. Procedures. The employee's immediate manager initiates an award nomination, along with a justification (not to exceed 2 pages) and citation (not to exceed 25 words). Concurrence/approval signatures through the Vice President level are obtained. The nomination is then forwarded to the Deputy Administrator or Chief Operating Officer who may call together an ad hoc committee and make a recommendation to the CEO. The CEO approves the award for all BPA employees, and the DOE Executive Resources Board approves the award for SES employees. Once approved, Personnel Services obtains the appropriate plaque for the organization.
4. DOE Certificate of Appreciation (Non-Employee). This award may be used to recognize a private citizen or organization, an individual employee of a departmental contractor, an employee of a State or local government, or a non-citizen. It consists of a certificate signed by the CEO.
 - a. Criteria. An achievement that merits recognition, but does not meet criteria for the BPA Award for Exceptional Public Service or the BPA Special Service Award.
 - b. Procedures. Any employee or manager may initiate a nomination by preparing a justification memorandum. Approval will be obtained at all levels through the Tier I executive. The Deputy Administrator or Chief Operating Officer will make a recommendation to the CEO, who is the approving official.
5. DOE Award for Achievement in Equal Employment Opportunity. This award may be granted to any government employee. The award is non-monetary, consisting of a plaque and/or certificate signed by the CEO.
 - a. Criteria. The award is granted for significant achievements in providing employment opportunities to those desiring employment or assisting Federal employees to achieve their highest potential and productivity.

b. Procedures:

- (1) Any employee or manager may nominate an individual or team by completing the award nomination form, a justification addressing selection criteria (not to exceed 1 page), and a citation (not to exceed 25 words). Concurrence/approval signatures are obtained through the Vice President level, and the package is then forwarded to the Manager, Human Resources, Diversity and EEO, who will make a recommendation to the CEO, the approving official for all BPA employees. The DOE Executive Resources Board approves awards for SES members.
- (2) The Manager, Human Resources, Diversity and EEO, may nominate an organization by completing the award nomination form, inserting the applicable manager's name as a representative of that organization, a justification addressing selection criteria (not to exceed 2 pages), and a citation (not to exceed 25 words). The package will be reviewed by the Deputy Administrator or Chief Operating Officer, who will make a recommendation to the CEO, the approving official for all BPA employees. Once approved, Personnel Services may obtain the appropriate plaque for the organization.

6. Administrator's Excellence Awards (BPA Honor Awards). BPA honors employees and others annually in the Administrator's Excellence Awards ceremony, usually held in early spring. There is no minimum or maximum number of recipients per award category for any of the honor awards listed below. Usually, there are one or two recipients per category, although, some years there may be no recipient in one or more categories. A call memo will be issued to all BPA employees annually, announcing the deadline for nominations for award consideration that nomination cycle. However, employees, including managers, may initiate nominations at any time by completing and submitting the Administrator's Excellence Awards package to Personnel Services for consideration for recipient recognition at the annual Administrator's Excellence Awards ceremony. The package is available electronically on the BPA Intranet (Personnel Services/Recognition) or in hard copy (BPA Form 3450.13) for employees without ready access to a computer. Nominations received after the published deadline for the current fiscal year will be considered in the next Administrator's Excellence Awards nomination cycle. Personnel Services coordinates the nomination process and the ceremony. All nominees receive a certificate of nomination signed by the CEO. A representative employee group (e.g., the BPA Recognition Council) evaluates the nominations and recommends award recipients to the CEO, who makes final selections. Personnel Services obtains the appropriate award presentation materials for all recipients.

- a. BPA Meritorious Service Award. This award is the highest BPA honor award. It consists of a citation, a certificate, and an award piece denoting the

level of award. It is granted to recognize employees for extended (at least 10 years of BPA service) outstanding service and achievements. Any BPA employee is eligible, regardless of grade. Groups are not eligible for this award. Contributions must meet one of the following criteria:

- (1) Significant contributions to BPA's mission accomplishment, which have resulted from excellence in chosen field (i.e., engineering technology, sales, marketing, transmission operations, energy conservation, renewable resources development, other professional fields, administrative and analytical specialties, hourly occupations, and technical and clerical support occupations); or
 - (2) Other significant contributions to the Federal service, such as unusual initiative, innovation, outstanding customer/client service, management and supervisory skills, devotion to duty, advancement of equal opportunity, and improvement of worker health or safety.
- b. BPA Exceptional Service Award. The award is the second highest BPA honor award and is granted to recognize employees for superior service and achievement extending over two years or more. (In compelling circumstances, special service characterized by extraordinary achievement throughout a complex series of events covering at least one year may also be recognized.) Any BPA employee, or group of employees, is eligible, regardless of grade level. The criteria are the same as for the BPA Meritorious Service Award (paragraphs XII.L.6.a.(1) and (2) above). The difference between the two awards is a matter of degree and time. Both represent the recognition of significant achievements and contributions.
- c. BPA Award for Exemplary or Courageous Act. This award honors any BPA employee who contributes significantly toward saving a life. The life-saving act may have been performed while in a duty status, on official travel, or while going to or from work. Other instances of a life-saving act may be submitted for consideration, if actions are in keeping with the intent of the award. Actions, which result in saving the life of a member of the employee's immediate family, are excluded from consideration for this award. (Employees who demonstrate unusual courage involving a high degree of personal risk in the face of danger could be recommended, also, for the DOE Award for Valor, which is a higher-level award not described in this issuance. Further information can be obtained from Personnel Services.)
- d. BPA Eugene C. Starr Award for Technical Achievement. This award commemorates Eugene C. Starr's many contributions to BPA and the electric utility industry at the regional, national, and international level. It also commemorates his role as teacher and mentor to many individuals who made significant contributions to the utility industry in engineering,

scientific, and industrial technology fields of endeavor. Current and recent (separated in the last year) employees of BPA, utilities, and educational institutions in the Pacific Northwest are eligible. Individuals must be, or recently have been, practicing in the engineering, scientific, and industrial technology areas. Contributions must meet all of the following criteria:

- (1) Outstanding original and innovative contributions to the advancement of the electric utility industry in the Pacific Northwest. Examples of contributions include utility planning, efficient generation, transmission and/or use of electrical energy, environmental, fish and wildlife, etc. *(Nominations should summarize and describe contributions, focusing on recent achievements and their impact on the industry, including relevant publication and patent information.)*
- (2) Participation in professional and technical society activities as evidenced by leadership, technical committee assignments, peer recognition, awards, and honors.
- (3) Contributions to the academic community and participation in civic and community activities. *(Nominations should provide examples of courses/seminars taught, papers given, volunteer activities, etc.)*

e. BPA Award for Achievement in Environmental Protection. This award recognizes individuals who make a significant contribution (on or off the job) to the enhancement or protection of the environment. The award consists of an award piece and a citation. The accomplishment must meet one of the following criteria:

- (1) Original and innovative contribution to minimizing or eliminating the release of any pollutant that may cause environmental damage to air, water, earth, or earth's inhabitants;
- (2) Protecting and conserving natural resources such as ground water, rivers, lakes, wetlands, coastal zones, wildlife habitat, wilderness, and recreation areas;
- (3) Waste reduction and/or promotion of recycling of materials;
- (4) Improving energy efficiency and environmentally safe, sustainable energy sources;
- (5) Advancing knowledge and technical improvements for environmental impact analysis, risk assessment, and/or environmental mitigation;

- (6) Participation in civic and community environmental activities such as participation in professional society activities as evidenced by leadership assignments, peer recognition, publications, and honors; or
 - (7) Raising overall public and/or agency awareness on environmental issues and what can be done to minimize impacts and improve environmental quality.
- f. BPA Award for Achievement in Equal Employment Opportunity/Diversity. This award recognizes individuals who make a significant contribution to the advancement of Equal Opportunity or the broader area of Diversity. The contribution must be in at least one of the following areas:
- (1) Providing employment opportunities to those desiring employment.
 - (2) Assisting Federal employees to achieve their highest potential and productivity.
 - (3) Promoting, supporting, and proactively contributing, steadfastly, to a productive, efficient, and inclusive diverse work force, representing the community at large.
- g. BPA Award for Achievement in Employee Development. This award recognizes performance managers and employees, including groups, for extraordinary achievements contributing to individual or group development. This award also may recognize remarkable and critical “transfer of knowledge” linked to succession planning, employee retention, and achieving strategic goals. This award is not intended to recognize Agency-level initiatives or programs designed by external contractors. Examples of qualifying accomplishments may include but are not limited to:
- (1) Innovative application of tools to support employee development;
 - (2) Strong, sustained sponsorship and demonstrated accountability for follow-through on a major employee development initiative;
 - (3) Innovative ways of championing, encouraging, and recognizing development;
 - (4) Partnerships across organization lines to support employee development;
 - (5) Mentoring, coaching, and the use of Individual Development Plans;
 - (6) Providing significant developmental assignments;
 - (7) Highly successful on-the-job development initiatives;

- (8) Occupational development programs;
 - (9) Transfer of knowledge supporting strategic goals and HPO strategy; or
 - (10) Technical experts documenting/teaching/sharing knowledge collectively, to ensure institutional knowledge, processes, and subject matter are preserved and passed on.
- h. BPA Unsung Hero Award. This award recognizes individuals who make steadfast contributions to organization success through consistent effort and positive attitude. They perform functions that are essential yet are not high profile or visibility. Contributions must include all of the following:
- (1) Long-term, e.g., 10 years or more service;
 - (2) Performance of functions that are essential;
 - (3) Low visibility, i.e., not generally high profile functions or projects;
 - (4) Consistently dependable, credible, and accurate;
 - (5) Team-oriented and motivated; and
 - (6) Reflected positively in organization morale and environment.
- i. BPA Award for Exceptional Public Service. This award is granted to private citizens to officially commend them for contributions (not in a paid consultant or contractor role) who have assisted BPA in its mission of service to the people of the Pacific Northwest. The award consists of a plaque and a citation signed by the CEO. Contributions may include, but are not limited to:
- (1) Assisting in the development or delivery of policies or programs that have advanced or aided the BPA mission;
 - (2) Enhancing BPA's public image and credibility; and
 - (3) Assisting in the improvement of BPA programs or operations.
- j. BPA Special Service Award. This award is granted to consultants and contractors, who have provided extraordinary service for BPA. It consists of a plaque and a citation signed by the CEO. Contributions may include, but are not limited to:
- (1) Going the extra mile, consistently; and

(2) Creating additional value (beyond contract expectations).

- k. BPA Award for Community Outreach. This award recognizes volunteer contributions having significant positive impact on the community. The impact on the community may be significant because of long-term services or because of short-term extraordinary accomplishments that can be reasonably expected to produce positive results in the long-term. Although some of this community outreach may be performed in the work environment, the majority of this service must be performed off-duty, as a volunteer. (This award is not intended to recognize performance of community work for which individuals are compensated, nor is it intended to recognize individuals for monetary contributions to community organizations or foundations.) Examples of such positive community outreach may include, but are not limited to:

- (1) Crisis hot line counseling;
- (2) Work improving quality of life;
- (3) Meal preparation or delivery;
- (4) Home construction (e.g., Habitat for Humanity)
- (5) Charity events and/or drives; and
- (6) Participation in mentoring programs (e.g. Big Brothers/Big Sisters).

M. BPA Informal Recognition. Informal recognition can be an effective tool to promote a culture of recognition. BPA-wide informal recognition may be used, provided that the recognition is of nominal value (not to exceed \$50 per recipient for any single accomplishment, regardless of whether a single item or multiple items is/are given), and also is appropriate for public use consistent with prudent expenditure of public funds. Informal recognition may include items such as theater tickets, balloons, and gift certificates. For example, a gift certificate for a bookstore meets the criteria. Programs may be designed that give employees the ability to recognize any other BPA employees without any managerial approvals. Such recognition programs must enable employees to recognize any other BPA employee, regardless of the organizational unit(s) in which the recipient and grantor are employed.

N. Organizational Honorary Recognition. At their own discretion, organizations with delegated authority to design and administer their own recognition plans may establish honor awards specific to their individual mission and objectives. These awards are in addition to the BPA (i.e., Administrator's Excellence Awards) and DOE Honor Awards. Criteria, nominations, selections, and acquisition of honorary

items such as plaques will be handled by the applicable organization, but should conform to the general guidance provided in this issuance. The recognition must be of nominal value (not to exceed \$50 per recipient for any single accomplishment, regardless of whether a single item or multiple items is/are given). Examples of honorary items may include certificates, pins, medals, plaques, badges, corsages, boutonnieres, jackets, T-shirts, hats, mugs, and other items that have the DOE/BPA logo, insignia, or other inscription to clearly indicate their purpose as employee recognition materials. In addition, the following rules apply:

1. DOE/BPA award titles may not be used in organization awards.
2. DOE/BPA and organization honor awards may not be granted for the same contribution.
3. In general, honorary items are to have lasting trophy value if practical, symbolize the employee-employer relationship if possible, be appropriate for public use and be consistent with appropriate expenditure of public funds, and be something the recipient will value, but the items must not convey a sense of monetary value of their own.

- O. Organizational Informal Recognition. Organizations with delegated authority to design and administer their own recognition plans may use forms of informal recognition, which can be an effective tool to promote a culture of recognition. Such recognition must be of nominal value (not to exceed \$50 per recipient for any single accomplishment, regardless of whether a single item or multiple items is/are given) and appropriate for public use consistent with prudent expenditure of public funds. Informal recognition may include items such as theater tickets, balloons, and gift certificates. For example, a gift certificate for a bookstore meets the criteria. Programs may be designed that give employees the ability to recognize other employees without any managerial approvals. Such recognition programs may be designed in a manner that requires employees to only recognize other BPA employees in the same organization governed by the Recognition Plan.

Godfrey C. Beckett
Manager, Human Resources, Diversity and EEO

APPENDIX A

TABLE 1 – FUNDING AMOUNTS FOR POOLS

FUNDING POOL	AMOUNT OF FUNDING
Organizational Team Share	The flat amount (for all organizations) per FTE is determined centrally and equals 2.0% of BPA's projected straight-time payroll divided by the projected number of FTE (see paragraph VII.B.1. ^a)
Individual/Group Results	2.0% of projected base payroll ^a

^a If BPA does not make its scheduled annual payment to the Department of the Treasury, funding for Organizational Team Share is reduced by 50 percent. (Note: Funding for the Individual/Group Results pool is not affected by this event.)

TABLE 2 – LIST OF AWARD TYPES AND VARIOUS EXPENSES AND THEIR CORRESPONDING BUDGET SOURCES, AND WHETHER AWARD AMOUNTS COUNT AGAINST INDIVIDUAL MONETARY AWARD ANNUAL LIMIT

Item	Subject to Individual Limit?	Fund/Budget Against Which Expenses Are Charged
BPA Success Share	Yes	<u>Funding Pool</u> : Not applicable <u>Budget</u> : Each organization
BPA Success Share Celebration	No	<u>Funding Pool</u> : Not applicable <u>Budget</u> : Personnel Services
Organizational Team Share	Yes	<u>Funding Pool</u> : Organizational Team Share <u>Budget</u> : Each organization
On-The-Spot	Yes	<u>Funding Pool</u> : Individual /Group Results <u>Budget</u> : Each organization
Time Off	Yes (hours off X basic pay = cost)	<u>Funding Pool</u> : Individual/Group Results <u>Budget</u> : Each organization
Individual/Group Results	Yes	<u>Funding Pool</u> : Individual/Group Results <u>Budget</u> : Each organization
Cross-Agency	Yes	<u>Funding Pool</u> : Not applicable <u>Budget</u> : Office of the COO
Safe Driver	Yes	<u>Funding Pool</u> : Not applicable <u>Budget</u> : Each organization
Item	Subject to Individual Limit?	Fund/Budget Against Which Expenses Are Charged
Safe Flyer	Yes	<u>Funding Pool</u> : Not applicable <u>Budget</u> : Each organization
Safety Award Program	No	<u>Funding Pool</u> : Individual/Group Results <u>Budget</u> : Each organization
System Dispatchers' Safety Award Program	No	<u>Funding Pool</u> : Individual/Group Results <u>Budget</u> : Each organization

Employee Referral Program	Yes	<u>Funding Pool:</u> Not applicable <u>Budget:</u> Organization with the vacancy
DOE/BPA Honorary Recognition	No	<u>Funding Pool:</u> Not applicable <u>Budget:</u> Personnel Services
Administrator's Excellence Awards Ceremony	No	<u>Funding Pool:</u> Not applicable <u>Budget:</u> Office of the COO
BPA Informal Recognition	No	<u>Funding Pool:</u> Not applicable <u>Budget:</u> Either centrally funded or funded by each organization, depending on actual program element put into place.
Organizational Honorary Recognition (except for career service plaques/ emblems)	No	<u>Funding Pool:</u> Individual/Group Results <u>Budget:</u> Each organization
Career service plaques/ emblems)	No	<u>Funding Pool:</u> Not applicable <u>Budget:</u> Each organization
Organizational Informal Recognition	No	<u>Funding Pool:</u> Individual/Group Results <u>Budget:</u> Each organization
Organizational Celebrations/Light Refreshments/Casual Meals	No	<u>Funding Pool:</u> Individual/Group Results <u>Budget:</u> Each organization

APPENDIX B

List of Difficult-To-Fill Positions/Jobs Qualifying for Employee Referral Program Award

Lineman
Power System Electrician
Substation Operator
PSC/SPC Craftsman
Electrical Engineer, GS-850-5 through 13
Electronics Engineer, GS-855-5 through 13
Engineering Technician (all types), GS-802-5 through 12
Public Utilities Specialist (Duty Scheduler), GS-1130-11/12
Public Utilities Specialist (After-the-Fact), GS-1130-11/12
Public Utilities Specialist (Pre-Scheduler), GS-1130-11/12

TEMPORARY CHANGES TO RECOGNITION PROGRAM (February 2003)

- A. Duration:** The changes described below are necessitated by BPA's serious financial condition and are in effect for the remainder of FY 2003. (The FY 2004 program will be determined in advance of FY 2004, with the current expectation that it will not change materially from the changes listed below at least through the first half of FY 2004 and perhaps beyond.)
- B. Changes:**
1. Both BPA Success Share and Organizational Team Share for FY 2003 will be un-funded. Accordingly, payout can occur only by the creation of monies resulting from extraordinary performance during the year that translate into revenue increases and/or cost savings in amounts sufficient to cover the payouts. In addition, no payout will occur unless BPA's net revenue (exclusive of any adjustments due to refinancing of Energy Northwest debt and access to the Fish Cost Contingency Fund) is positive for the fiscal year, regardless of improvements that may have been made in financial performance from start-of-year expectations. If these thresholds are met, payouts will be calculated based on performance against established targets and the maximum payout possible will be equal to 0.5% and 2.0% of BPA's straight-time payroll for BPA Success Share and Organizational Team Share, respectively.
 2. The following types of awards will not be used for the remainder of FY 2003:
 - A. Cross-Agency Awards; and
 - B. Employee Referral Awards
 3. The awards/expenses listed below are permitted, subject to a funding pool for the remainder of FY 2003 that is based on an amount equivalent to \$100 per employee, as described further below:
 - A. Individual Results Awards and On-The-Spot awards not to exceed \$100 per award (the minimum award amounts are \$50);
 - B. Time Off Awards, with the equivalent cost of the time off to not exceed \$100 per award;
 - C. Organizational Honorary Awards;
 - D. Organizational Informal Recognition (e.g., merchandise or gift certificates not to exceed approximately \$25 in value);
 - E. Celebration events, including refreshments permitted under existing Recognition Program policy; and
 - F. New Idea Program awards for adopted suggestions that have intangible benefits (note: the approved form of recognition is either an On-The-Spot Award, Time Off Award, or Informal Recognition, as described above).

4. Each organization with its own recognition plan will be allocated an amount that is equivalent to the formula above (i.e., \$100 per employee) for use in the remainder of FY 2003. Each organization has the flexibility to choose how to use such funds, using one or more of the awards/expense categories listed above. This enables each organization to tailor its efforts to what will work best for that organization.

C. What Will Remain Unchanged:

1. All safety-based awards.
2. Administrator's Excellence Awards and related expenses.
3. People-to-People Awards (note: this expense has already been incurred for FY 2003 and the paper certificates, redeemable for gift certificates, have already been distributed to employees for use and, therefore, may continue to be used).
4. Length of service awards
5. New Idea Program awards for adopted suggestions that have tangible benefits (because they are self-funding from actual savings determined following implementation of the suggestions).

BONNEVILLE POWER ADMINISTRATION

PERSONNEL LETTER NO. 451-1 (Appendix D)

February 28, 2003

BPA-LEVEL PEOPLE TO PEOPLE INFORMAL RECOGNITION PROGRAM

A. PURPOSE:

The BPA People to People Informal Recognition Program rewards employee contributions accomplished over a short period of time. This program is used as a vehicle to promote a culture of recognition and to recognize and reward employees in other work groups, including across business lines, within the People to People reward parameters. Reward categories include "quick-response", "appreciation", "beyond expectations" and "serving our community". Management approval is not required. The People to People reward budget is funded by the COO Cross-Agency award fund. Reward certificates are presented as soon as possible after the accomplishment is noted.

B. PURPOSE OF REVISION:

Revised to re-letter the Appendix. There has been no change to the text of this policy. Appendix D supercedes Appendix C, dated March 13, 2001.

B. GENERAL:

1. Use of People to People rewards is optional.
2. Yearly dollar pool is limited to four \$25 reward certificates per employee. Two award certificates will be given to each employee during the initial year of the program, FY 2001.
3. Reward categories and gift certificate options may vary from year to year.
4. This program is in addition to organizational-level informal recognition programs.
5. Management approval of reward certificates is not required.
6. Rewards will be tracked on an Agency-wide basis to determine usage and for tax reporting purposes only.

C. ELIGIBILITY:

1. All BPA hourly, annual, and SES employees are eligible (contract employees are excluded).

2. Managers are eligible to receive reward certificates from employees. The Standards of Conduct rules exclude from the definition of a “gift” anything directly purchased by the government. Since BPA purchases the gift certificates, they are not considered a “gift” from an employee to a manager.
3. Two \$25 reward certificates may be given to an employee at one time.
4. There is no limit to the number of reward certificates an employee may receive during the fiscal year.

D. REWARD REDEMPTION:

1. Reward certificates are redeemed for a gift certificate. Reward categories are listed on the back of the reward certificate, including which gift certificates are subject to tax under IRS code.
2. Gift certificates are used according to policies set by the vendor. Employees redeeming reward certificates will be provided with a table outlining vendor policies. Vendor policies include gift certificate expiration, Internet or catalog redemption options, and cash back. Gift certificates are reported as income by BPA if it is the policy of the vendor to return cash in any denomination.
3. Reward certificates must be given and redeemed for a gift certificate by the end of the fiscal year.

Attachment 2

**BONNEVILLE POWER ADMINISTRATION
HUMAN RESOURCES
Portland, Oregon**

PERSONNEL LETTER NO. 530-3 (Rev.)

DATE: September 14, 2001

SUBJECT

Recruitment/Relocation Bonuses and Retention Bonuses/Incentives for Hourly Employees

I. PURPOSE

To describe Bonneville Power Administration (BPA) policy and procedures for using recruitment/relocation bonuses and retention bonuses/incentives for employees in hourly jobs.

II. PURPOSE OF REVISION

To update suggested language for letters of acknowledgement or agreement with employees, amend documentation requirements for requesting retention bonuses/incentives to include (when practical) an "exit strategy" to reduce any continuing need for such payments, and to authorize use of lump-sum retention bonuses in lieu of or in addition to continuing, biweekly retention incentive payments. This issuance supersedes Personnel Letter No. 530-3, dated December 15, 1999. The provisions in this issuance that permit the use of lump-sum retention bonuses will take effect 30 days after the date of this issuance.

III. REFERENCES

- A. Section 10 (b) of the Bonneville Project Act, as amended.
- B. 5 CFR Part 550, Subpart K, Collection by Offset from Indebted Government Employees.
- C. 5 CFR Part 752, Adverse Actions.

IV. POLICY

- A. BPA will use recruitment/relocation bonuses and retention bonuses/incentives solely as a recruitment or staffing tool when necessary to attract or retain employees and when the criteria in this issuance are met.
- B. BPA will use the least costly bonus/incentive or combination of bonuses/incentives necessary to achieve its staffing needs.

C. Recruitment/relocation bonuses are included as part of job offers made by BPA, or are used in subsequent discussions with candidates/applicants that occur prior to their acceptance of job offers. Recruitment/relocation bonuses must be authorized before the employee enters on duty in the new job. No recruitment/relocation bonuses shall be approved after entry into the new job.

D. Recruitment/relocation bonuses and retention bonuses/incentives will be authorized without regard to religious affiliation or non-affiliation, marital status, race, color, national origin, sex, age, sexual orientation, or physical handicap. Decisions to use these authorities will not be based upon any personal relationship, patronage, nepotism, or other non-merit factor.

V. RELATIONSHIP TO BONUSES AND ALLOWANCES FOR ANNUAL EMPLOYEES

The use of recruitment/relocation bonuses and retention bonuses/incentives for employees in hourly jobs at BPA is not related in any manner to the use of similar payments for employees in annual positions. Such payments for employees in annual positions are governed by Title 5 and implementing regulations issued by the Office of Personnel Management. Such payments for employees in hourly jobs are based solely on the authority granted to the Administrator, in BPA's organic legislation, to compensate hourly employees.

VI. RESPONSIBILITIES AND AUTHORITIES

A. The Senior Vice President for the Transmission Business Line:

1. Approves recruitment/relocation bonuses and retention bonuses/incentives in situations that are not delegated to other managers (i.e., payments in excess of 25 percent of basic pay, not to exceed 40 percent of basic pay).
2. Review and concur in all requests to the Manager, Financial Operations to waive repayment of recruitment/relocation bonuses for situations in which waiver is not automatic under the provisions of this Personnel Letter, and for situations not delegated to Vice Presidents.
3. Coordinates an annual review of existing: (a) occupation-specific determinations for recruitment/relocation bonuses; and (b) retention bonuses/incentives.
4. Issues an annual report that identifies the use of the authorities described in this Personnel Letter and evaluates the effectiveness of the use of such authorities.

B. Vice Presidents:

1. Approve recruitment/relocation bonuses and retention bonuses/incentives up to 25 percent of basic pay, as well as termination of retention bonuses/incentives.
2. Waive repayment of recruitment/relocation bonuses for employees whose subsequent relocation to another duty station is determined to be in BPA's best interests.
3. Review and concur in all requests for recruitment/relocation bonuses and retention bonuses/incentives for which the Senior Vice President's approval is required.
4. Review and concur in all requests to the Manager, Financial Operations to waive repayment of recruitment/relocation bonuses for situations in which waiver is not automatic under the provisions of this Personnel Letter and for situations not delegated to Vice Presidents.

C. Managers and Selecting Officials:

1. Recommend recruitment/relocation bonuses and retention bonuses/incentives for prospective and current employees in accordance with the criteria described in this Personnel Letter.
2. Prepare written justifications of recruitment/relocation bonuses and retention bonuses/incentives.
3. Recommend termination or adjustment of retention bonuses/incentives in accordance with the criteria described in this Personnel Letter.

D. Manager, Personnel Services:

1. Through Personnel Services staff, provides advice and assistance to managers on appropriate use of recruitment/relocation bonuses and retention bonuses/incentives.
2. Processes pertinent personnel actions.
3. Extends employment offers to prospective employees, including any approved recruitment/relocation bonus.
4. Maintains records of all service agreements and employee acknowledgements, determinations regarding recruitment/relocation bonuses and retention bonuses/incentives, and waivers of repayment of recruitment/relocation bonuses.

- E. Manager, Human Resources/Diversity/EEO, develops and issues policy governing the use of recruitment/relocation bonuses and retention bonuses/incentives for hourly employees.
- F. Labor Relations Officer provides advice and assistance to managers on appropriate use of recruitment/relocation bonuses and retention bonuses/incentives, and conducts any needed discussions with the bargaining unit.
- G. Manager, Financial Operations, reviews and approves/disapproves all requests to waive repayment of recruitment/relocation bonuses for situations in which waiver is not automatic under the provisions of this Personnel Letter and for situations that are not delegated to Vice Presidents.

VII. DEFINITIONS

- A. Commuting area means the geographic area that normally is considered one area for employment purposes. It includes any population center (or two or more neighboring ones) and the surrounding localities where people live and reasonably can be expected to travel back and forth daily to work.
- B. Involuntary termination or separation means a separation initiated by BPA against the employee's will and without his or her consent for reasons other than cause on charges of misconduct or delinquency. It includes a separation resulting from the employee's actual inability to do the work following genuine efforts to do so. It does not include a separation under part 752 procedures of the Code of Federal Regulations or an equivalent procedure for reasons that involve culpable wrongdoing on the part of the employee. In addition, when an employee is separated because he or she declines to accept assignment outside the commuting area, the separation is involuntary if the employee is not subject to the provisions of a written mobility agreement.
- C. Newly appointed means the first appointment, regardless of tenure, as a Federal employee. It also means an appointment following a break in service of at least 90 days from the candidate's last period of Federal employment other than: Employment under the Student Educational Employment Program; or employment under a temporary appointment that is provisional in accordance with Part 316 procedures of the Code of Federal Regulations if the new appointment is permanent and immediately follows the provisional appointment.
- D. Rate of basic pay means the rate of pay negotiated with the bargaining unit for an employee's position of record, exclusive of any premiums or penalties.

VIII. RECRUITMENT BONUSES

A. **Type and Amount of Payment.** A recruitment bonus is a one-time payment that is paid to a newly appointed employee. The amount is calculated as a percentage of the rate of basic pay and may not exceed 25 percent of the rate of basic pay for the job to which the candidate is appointed. In rare circumstances, the Senior Vice President may authorize a higher amount, not to exceed 40 percent of the rate of basic pay. The amount paid is not considered part of an employee's rate of basic pay for any purpose. The amount must be expressed in a whole percentage (e.g., 10 percent, 15 percent, etc) and is based on the annualized rate of basic pay rounded to the nearest whole-dollar amount (e.g., \$27.00 per hour X 2087 hours X 15 percent = \$8,452).

B. A decision to pay a recruitment bonus may be either job-specific (for an anticipated incumbent) or occupation-specific. Occupation-specific determinations must specify the job title(s) and indicate whether it is limited to a specific duty station or duty stations.

C. **Type of Appointment.** A recruitment bonus may be paid in connection with a permanent appointment, a term appointment, or a temporary appointment of 120 days or more.

D. **Criteria and Documentation.** A recruitment bonus may be paid only when the following criteria and rules are met:

1. There must be a written determination, approved by the appropriate Vice President, that in the absence of a bonus, BPA would encounter difficulty in filling the job(s). The determination will be forwarded to Personnel Services, which will process needed actions and maintain a central file of such determinations for 3 years. "Difficulty in filling a job" can be documented by addressing the success of recent efforts to recruit candidates for similar jobs, recent turnover in similar jobs, labor market factors that might impact BPA's ability to recruit candidates for similar jobs in the future, unusual working conditions, and/or special qualifications needed for such a job (or jobs).

2. **Occupation-specific** written determinations may be made or revised at any time. However, existing determinations must be reviewed and then cancelled, reaffirmed, or adjusted on at least an annual basis near the start of the calendar year unless the most recent determination was made within the preceding 90 days. All such reviewed determinations must be approved by the Vice President and forwarded to Personnel Services for filing and any required processing.

E. A recruitment bonus cannot be paid to a newly appointed employee unless the written determination of need has been made before the employee actually enters

on duty into job for which the recruitment bonus is to be paid (see paragraph IV.C. also).

F. **Amount of Bonus.** The amount of the bonus shall be the amount determined necessary in order to successfully attract the applicant(s). Hence, consideration of the amount is based on the factors listed above in determining the need for the bonus. As a result, the amount may differ for two employees, regardless of whether the need for the bonus was job-specific or occupation-specific.

G. **Service Agreements.** Before a recruitment bonus can be paid, the recipient must sign a written service agreement (see sample agreement in Appendix A) to complete a specified period of employment with BPA. In addition, the service agreement may tie the period of employment to service at a designated duty station. A copy of the service agreement must be sent to Personnel Services, which will retain it for 3 years.

1. **Duration.** The period of service in connection with a recruitment bonus for a temporary appointee shall be the expected duration of the temporary appointment. For term and permanent appointments, the minimum period of service shall be 1 year and the maximum period of service shall be 3 years. The specific period of service for any particular employee shall be determined independently for each employee, taking into account the amount of the bonus, the employee's duty station, and the factors addressed above in determining the need to offer the bonus. Hence, the period of service may differ for two employees, regardless of whether the need for the bonus was job-specific or occupation-specific.

2. **Repayment of the Bonus.** An employee who fails to complete the period of service specified in the service agreement shall be indebted to BPA and shall repay the bonus on a pro-rata basis under established procedures governed by 5 Code of Federal Regulations, Part 550, Subpart K. The amount to be repaid shall be determined by providing credit for each full month of employment completed by the employee under the service agreement. Repayment will not be required for an employee whose service is not completed as a result of an involuntary termination or separation (see paragraph VII.B.). If the service agreement requires employment at a designated duty station, repayment will not be required for an employee whose subsequent relocation to another duty station is determined by a Vice President to be in BPA's best interests; such determinations must be in writing, with a copy sent to Personnel Services. The Manager, Financial Operations, may waive repayment in other cases if recovery is determined to not be in BPA's best interests; such determinations must be in writing, with a copy sent to Personnel Services.

IX. RELOCATION BONUSES

A. **Type and Amount of Payment.** A relocation bonus is a one-time payment that is paid to an existing appointee in the Federal service who must relocate to accept a job in a different commuting area, or whose duty station is changed permanently or temporarily to a different commuting area. Hence, it may be paid to either a current BPA employee or to a Federal employee outside of BPA. The employee must relocate without a break in service. The amount is calculated as a percentage of the rate of basic pay and may not exceed 25 percent of the rate of basic pay for the job to which the candidate is appointed. In rare circumstances, the Senior Vice President may authorize a higher amount, not to exceed 40 percent of the rate of basic pay. The amount paid is not considered part of an employee's basic rate of pay for any purpose. The amount must be expressed in a whole percentage (e.g., 10 percent, 15 percent, etc) and is based on the annualized rate of basic pay rounded to the nearest whole-dollar amount (e.g., \$27.00 per hour X 2087 hours X 15 percent = \$8,452).

B. A decision to pay a relocation bonus may be either job-specific (for an anticipated incumbent for a specific position) or occupation-specific. Occupation-specific determinations must specify the exact job title(s) and indicate whether it is limited to a specific duty station or duty stations.

C. **Type of Appointment and Conditions for Payment.**

1. A relocation bonus may be paid only to an employee who is already serving under an appointment and is assigned to a new job or duty station in a different commuting area without a break in service. The employee must establish a residence in the new commuting area before a relocation bonus may be paid.

2. A relocation bonus may be paid to an employee during a period of employment established under a service agreement required for payment of a recruitment bonus, provided that a new service agreement is established (see below). Such agreement must provide for a minimum period of service that will end substantially beyond the ending date associated with the service agreement established for the recruitment bonus.

D. **Criteria and Documentation.** A relocation bonus may be paid only when the following criteria and rules are met:

1. There must be a written determination, approved by the appropriate Vice President, that in the absence of a bonus, BPA would encounter difficulty in filling the job(s). The determination will be forwarded to Personnel Services, which will process needed actions and maintain a central file of such determinations for 3 years. "Difficulty in filling a job" can be documented by addressing the success of recent efforts to recruit candidates

for similar jobs, recent turnover in similar jobs, labor market factors that might impact BPA's ability to recruit candidates for similar jobs in the future, unusual working conditions, and/or special qualifications needed for such a job (or jobs).

2. **Occupation-specific** written determinations may be made or revised at any time. However, existing determinations must be reviewed and then be cancelled, reaffirmed, or adjusted on at least an annual basis near the start of the calendar year unless the most recent determination was made within the preceding 90 days. All such reviewed determinations must be approved by the Vice President and forwarded to Personnel Services for filing and any required processing.

E. A relocation bonus cannot be paid to an employee unless the written determination of need has been made before the employee actually enters on duty in the job to which he or she was relocated (see paragraph IV.C. also).

F. **Amount of Bonus.** The amount of the bonus shall be the amount determined necessary in order to successfully attract the applicant(s). Hence, consideration of the amount is based on the factors listed above in determining the need for the bonus. As a result, the amount may differ for two employees, regardless of whether the need for the bonus was job-specific or occupation-specific.

G. **Service Agreements.** Before a relocation bonus can be paid, the recipient must sign a written service agreement (see sample agreement in Appendix B) to complete a specified period of employment with BPA at the new duty station. A copy of the service agreement must be sent to Personnel Services, which will retain it for 3 years.

1. **Duration.** The minimum period of service shall be 1 year and the maximum period of service shall be 3 years. (However, in the case of a temporary reassignment of less than 1 year, the period of service shall be equivalent to the duration of the expected assignment.) The specific period of service for any particular employee shall be determined independently for each employee, taking into account the amount of the bonus, the employee's duty station, and the factors addressed above in determining the need to offer the bonus. Hence, the period of service may differ for two employees, regardless of whether the need for the bonus was job-specific or occupation-specific.

2. **Repayment of the Bonus.** An employee who fails to complete the period of service specified in the service agreement at the new duty station shall be indebted to BPA and shall repay the bonus on a pro-rata basis under established procedures governed by 5 Code of Federal Regulations, Part 550, Subpart K. The amount to be repaid shall be determined by providing credit for each full month of employment completed by the employee under the

service agreement. Repayment will not be required for an employee whose service is not completed as a result of an involuntary termination or separation (see paragraph VII.B.). Repayment will not be required for an employee whose subsequent relocation to another duty station is determined by a Vice President to be in BPA's best interests; such determinations must be in writing, with a copy sent to Personnel Services. The Manager, Financial Operations, may waive repayment in other cases if recovery is determined to not be in BPA's best interests; such determinations must be in writing, with a copy sent to Personnel Services.

X. RETENTION BONUSES/INCENTIVES

A. **Limitations on Amount of Payment.** The amount of a retention bonus/incentive is calculated as a percentage of the rate of basic pay and may not exceed 25 percent of the rate of basic pay for the job to which the candidate is appointed. In rare circumstances, the Senior Vice President may authorize a higher amount, not to exceed 40 percent of the rate of basic pay. A retention bonus/incentive is paid at an hourly rate for each hour during which the employee receives base pay. However, it is not considered part of an employee's rate of basic pay for any purpose. The amount must be expressed in a whole percentage (e.g., 10 percent, 15 percent, etc.), is based on the hourly rate of basic pay rather than an annualized rate, and is rounded to the nearest cent (e.g., \$27.00 per hour X 15 percent = \$4.05 per hour). For purposes of calculating the amount of the retention bonus/incentive, it is based on the rate of basic pay established for the employee's permanent position of record. Hence, the amount does not change when an employee is temporarily upgraded on time and attendance records to a higher rate of basic pay.

B. Method of Payment

1. Retention payments may be paid either as a continuing payment or as a lump-sum (bonus) payment as noted below. In addition, a recipient may be paid retention payments that consist of both a continuing payment and a lump-sum (bonus) payment. The decision as to which of these three approaches is used is based on an assessment of the likelihood of successfully retaining the employee for the amount of time the employee is needed by BPA. Hence, the determination may differ for two employees regardless of their circumstances.

2. **Continuing Payment.** A continuing payment is referred to as a retention incentive and is paid biweekly in the same manner and at the same time as base pay and is contingent on the recipient's continued service in his or her current job at his or her current duty station (see exception regarding duty station in paragraph X.E.1.).

3. **Lump-Sum Payment.** A lump-sum payment is referred to as a retention bonus and is a one-time payment that is processed and paid following the end of a designated retention period.

a. The minimum designated retention period is four pay periods. The maximum designated retention period is 26 pay periods. If retention of the employee beyond 26 pay periods is needed by means of another lump-sum payment incentive, a new determination with accompanying documentation is required.

b. Payment is contingent on the employee's continued service in his or her current job at his or her current duty station for the entire designated retention period. (See exception regarding duty station in paragraph X.E.1. and see exceptions in the next two paragraphs for pro-rata payments.)

c. If the employee is either moved out of his or her job at his or her duty station as a result of management action, or if BPA chooses to terminate the retention payment, prior to the end of the designated retention period, the employee is entitled to receive a pro-rated payment for the amount of time served during the designated retention period.

d. BPA has the sole discretion to provide a pro-rated payment in hardship situations in which the employee would be unable to remain in his or her job for the entire designated retention period. An example of a hardship that management could consider would be an on-the-job or off-the-job injury or illness that would render the employee unable to perform the essential duties of his or her job, as evidenced by medical documentation.

C. A decision to pay a retention bonus/incentive may be either job-specific (for an incumbent employee) or occupation-specific. Occupation-specific determinations must specify the exact job title(s) and indicate whether it is limited to a specific duty station or duty stations.

D. **Type of Appointment and Other Conditions for Payment.** A retention bonus/incentive may be paid only to an employee who is already serving under an appointment. A retention bonus/incentive may be paid to an employee during a period of employment established under any service agreement required for payment of either a recruitment or relocation bonus. (Similarly, after a retention bonus/incentive payment has commenced, a relocation bonus may be paid without affecting the payment of the retention bonus/incentive.)

E. **Change in Position.** If an employee who is receiving a retention bonus/incentive is assigned officially (i.e., documented on a SF-50) to another

position, the retention bonus/incentive might be eliminated, continued, or revised as follows:

1. If the new position is covered by an occupation-specific determination with a percentage amount that is equal to that received in the previous position, and the method of payment (see Section X.B.) is identical to that established for the previous position, no action is necessary and the employee will continue to receive the retention bonus/incentive.
2. If the new position is covered by an occupation-specific determination but the percentage amount is different from that received in the previous position, the new amount applies and a SF-50 must be processed to document the new amount.
3. If the new position is covered by an occupation-specific determination but the method of payment (see Section X.B.) is different from that established for the previous position, a new determination must be processed.
4. If the new position is not covered by an occupation-specific determination, the retention bonus/incentive is discontinued unless a new job-specific determination is approved by the appropriate Vice President.

F. Criteria and Documentation. A retention bonus/incentive may be paid only when the following criteria and rules are met:

1. There must be a determination that the job(s) is (are) of critical importance to BPA's operations and at least one of the following criteria is met:
 - a. The employee(s) is (are) likely to leave BPA's employment in the absence of such payment(s) and there is a special need to retain the services of the employee(s) because of the severe difficulty expected in filling the job(s).
 - b. The employee(s) is (are) likely to leave BPA's employment in the absence of such payment and there is a special need to retain the services of the employee(s) until a replacement(s) can be selected.
 - c. The employee(s) is (are) likely to leave BPA's employment in the absence of such payment and there is a special need to retain the services of the employee(s) until the employee(s) selected replacement(s) has (have) been trained to adequately assume the duties of the job(s).

- d. The employee(s) is (are) likely to move to a different job(s) at a different duty station(s), or move to a job(s) in a different occupation at the same duty station(s), and there is a special need to retain the services of the employee(s) because of the severe difficulty expected in filling the job(s) at the existing duty station(s).

(Note: As used above, “severe difficulty” can be documented by addressing the success of recent efforts to recruit candidates for similar jobs, recent turnover in similar jobs, labor market factors that might impact BPA’s ability to recruit candidates for jobs in the future, and/or special qualifications needed for such a job [or jobs]).

2. Employee Agreement to Voluntarily Separate. If the justification for the retention bonus/incentive is to retain the employee’s services until a replacement can be selected (paragraph X.F.1.b.), or until the employee’s selected replacement has been trained to adequately assume the employee’s duties (paragraph X.F.1.c.), the recipient must sign a binding agreement to voluntarily separate within a timeframe to be designated in the agreement. The agreement (see required agreement language in Appendix C) must be signed before the retention bonus/incentive can be paid and a copy must be sent to Personnel Services, which will retain it for a period of 3 years in a central file. Assistance in writing the agreement should be obtained from Personnel Services’ staff. Management retains the flexibility to release the employee from the agreement at any time.

3. If the reason for the retention bonus/incentive falls under paragraphs X.F.1.a. or X.F.1.d., the written request must address, if practical, an exit strategy. Specifically, the request must address the steps that the organization is taking or plans to take to reduce BPA’s vulnerability if a recipient subsequently decided to leave employment with BPA. Organizations are responsible for recruiting and/or training sufficient replacement talent to ensure that BPA’s critical skill and competency needs in the job are met. Accordingly, the goal is to reduce such BPA vulnerability and, therefore, eliminate any need to pay the bonus/incentive for an extended period. If an exit strategy is not deemed practical, the reasons attendant thereto must be described in the request.

4. The determination must be in writing and approved by the Vice President. The determination will be forwarded to Personnel Services, which will process needed actions and maintain a central file of such determinations for 3 years after the recipient is no longer receiving any payments as a result of the determination.

- a. If the method of payment is a continuing, biweekly payment, Personnel Services will process the action promptly, with an effective date of the first day of the first pay period on or after the

date of the approved determination and signed employee acknowledgement.

- b. If the method of payment is a lump-sum payment, the approved determination and signed employee acknowledgement are initially retained by the business line; they are subsequently sent to Personnel Services after the service conditions for payment have been satisfied (see section X.B.3.) and must include or be supplemented with an accurate statement of the period of service (starting and ending dates) upon which the payment is based. Upon receipt, Personnel Services will process the action promptly.
- c. If a combination of payment methods is used, Personnel Services will process the continuing, biweekly payment action promptly, with an effective date of the first day of the first pay period on or after the date of the approved determination and the signed employee acknowledgement. The business line will retain a copy of the approved determination (and signed employee acknowledgement). Upon completion of the service conditions for payment of the lump sum (see section X.B.3.), the business line will forward such documentation, along with an accurate statement of the period of service (starting and ending dates) upon which the payment is based, to Personnel Services, which will process the action promptly.

5. Determinations to pay retention bonuses/incentives must be reviewed and then cancelled, reaffirmed, or adjusted on at least an annual basis near the start of the calendar year unless the most recent determination was made within the preceding 90 days. All such reviewed determinations must be approved by the Vice President and forwarded to Personnel Services for filing and any required processing. A retention bonus/incentive may be terminated at any time with the documented approval of the Vice President, which is then forwarded to Personnel Services for processing and filing and any required processing.

G. Amount of Retention Bonus/Incentive. The amount of the payment shall be the amount determined necessary in order to successfully retain the employee for the reason(s) cited in the written determination to approve the payment. Hence, consideration of the amount is based on the factors listed above in determining the need for the payment. As a result, the amount may differ for two employees, regardless of whether the need for the bonus/incentive was job-specific or occupation-specific.

H. Employee Acknowledgement

1. Each recipient of a retention bonus/incentive must sign a statement acknowledging eligibility for and the amount of the incentive, as well as the conditions governing its payment as follows:
 - a. If the payment is in the form of a continuing, biweekly payment, the statement contains the recipient's acknowledgement that payment is conditional on the employee remaining in his or her current job at his or her current duty station (see sample acknowledgement in Appendix D).
 - b. If the payment is in the form of a lump-sum bonus at the end of a designated retention period, the statement contains the employee's acknowledgement that payment is conditional on the employee remaining in his or her job at his or her current duty station for the entire length of the designated retention period, subject to the exceptions noted in section X.B.3. (See sample acknowledgement in Appendix E).
 - c. If the incentive is a combination of a continuing, biweekly payment and a lump-sum bonus, the statement contains the employee's acknowledgement that payment is conditional on the employee remaining in his or her job at his or her current duty station. It also contains the recipient's acknowledgement that part of the payment is conditional on the employee remaining for the entire length of the designated retention period, subject to the exceptions noted in section X.B.3. (See sample acknowledgement in Appendix F).
2. A copy of each signed acknowledgement must be sent to Personnel Services, which will retain it for 3 years after the recipient is no longer receiving any payments as a result of the approved determination.

XI. PERSONNEL ACTION PROCESSING

The payment of a recruitment/relocation bonus or a retention bonus/incentive under this Personnel Letter shall be effected by means of processing a personnel action. The authority for the actions to be documented on the SF-50 is "Section 10 b of the Bonneville Project Act, as amended." The Nature of Action and the Nature of Action Codes (NOAC) to be used are as follows:

Nature of Action	NOAC
Recruitment Bonus	915
Relocation Bonus	916
Retention Incentive	910
Retention Bonus	914

Nature of Action Code (NOAC) 910 is used when the method of payment is a continuing, biweekly payment. NOAC 914 is used when the method of payment is a lump-sum bonus. When a lump-sum bonus is used, the remarks section of the SF-50 will include a statement indicating the period of service (starting and ending dates) upon which the payment is to be based. All other SF-50 information requirements are identical to those used to process similar actions until Title 5 for annual employees.

XII. PROGRAM EVALUATION

Use of the authorities in this Personnel Letter shall be reviewed annually. The Senior Vice President for the Transmission Business Line shall be responsible for issuing a report prior to April 1 each year to the Chief Operating Officer. The report shall contain statistical information regarding the extent to which each authority has been used, the amounts paid, and demographic information such as information on craft/title, duty station, and race and gender. In addition, the report shall evaluate the extent to which the authorities have alleviated recruitment and retention problems and also identify any operational problems encountered in administering the provisions of this Personnel Letter.

Note: BPA employees in receipt of a retention bonus/incentive who decide to leave BPA for reasons other than retirement are to be offered, in writing, an opportunity to participate in an exit interview in accordance with Personnel Letter No. 250-1. If an exit interview occurs, the role that the retention bonus/incentive played in the employee's decision to leave BPA should be explored.

Godfrey C. Beckett
Manager, Human Resources, Diversity and EEO

6 Attachments:

- Appendix A: Sample Service Agreement for Recruitment Bonus
- Appendix B: Sample Service Agreement for Relocation Bonus
- Appendix C: Agreement to Voluntarily Separate
- Appendix D: Sample Acknowledgement of Conditions for Retention Incentive
(Continuing Payment)
- Appendix E: Sample Acknowledgement of Conditions for Retention Bonus
- Appendix F: Sample Acknowledgement of Conditions for Retention Payments
(Combination of Continuing and Lump-Sum Payments)

Appendix A

SAMPLE SERVICE AGREEMENT FOR RECRUITMENT BONUS

1. I AGREE that, by accepting this recruitment bonus of (*fill in amount in percentage terms*) of my rate of basic pay, I will serve at least (*fill in amount of time*) for the Bonneville Power Administration from the effective date of this personnel action. In addition, I agree to perform such service at (*add duty station if this sentence is applicable*).
2. I AGREE to repay this recruitment bonus, in accordance with the formula in Personnel Letter No. 530-3, if I do not fulfill the terms of this service agreement, unless a waiver is granted under the provisions of that issuance, a copy of which has been provided to me.

Employee: _____

Date: _____

Appendix B

SAMPLE SERVICE AGREEMENT FOR RELOCATION BONUS

1. I AGREE that, by accepting this relocation bonus of (*fill in amount in percentage terms*) of my rate of basic pay, I will serve at least (*fill in amount of time*) for the Bonneville Power Administration from the effective date of this personnel action at (*fill in duty station*).
2. I AGREE to repay this relocation bonus, in accordance with the formula in Personnel Letter No. 530-3, if I do not fulfill the terms of this service agreement, unless a waiver is granted under the provisions of that issuance, a copy of which has been provided to me.

Employee: _____

Date: _____

Appendix C

Employee Agreement to Voluntarily Separate/Retire

(Note: This agreement must be used in situations in which an employee is to be given a retention bonus/incentive for the purpose of retaining the employee's services until a replacement can be selected, or until a replacement can be selected and trained to adequately assume the employee's duties.)

I, *(employee's name)*, am employed by BPA as a *(job title)* at *(duty station)*. I have notified *(fill in supervisor's name)* that I intend to *(separate/retire)* on *(employee's original planned date of separation/retirement)*. I understand that BPA will commence efforts to fill my current position. BPA is offering me a retention *(fill in "bonus" or "incentive")* to delay my *(separation/retirement)* until BPA can *(fill in either "select my replacement" or "select and train my replacement")*. I now intend to *(separate/retire)* on *(fill in the employee's new separation/retirement date, which should coincide with the planned ending date of a retention bonus/incentive payment)*. I understand that if I change my mind and wish to revoke my intent to *(separate/retire)* on *(fill in employee's new separation/retirement date used above)*, I need to inform *(supervisor's name)* of my change in plans prior to the date that management makes a written offer of employment to the person hired or selected to fill my current position. I understand that if I wish to revoke my decision to *(separate/retire)* after the date management has made such an offer of employment to my replacement, BPA is not obligated to honor my request to revoke my decision and management has the discretion to effect my *(separation/retirement)* on *(fill in employee's new separation/retirement date used above)*.

Employee: _____

Date: _____

Appendix D

SAMPLE ACKNOLWEDGEMENT OF CONDITIONS FOR RETENTION INCENTIVE (CONTINUING PAYMENT)

(Note: Use this only if the form of the payment is biweekly, continuing payments.)

I understand that payment of a retention incentive in the amount of (*fill in amount in percentage terms*) of my hourly rate of basic pay on a biweekly basis is contingent on my continued service in my current job (*fill in job title*) at (*fill in duty station*). Also, I understand that management may terminate the incentive payment at any time. Finally, I understand that continued payment of the incentive is subject to at least an annual review at which time it may be cancelled, reaffirmed, or adjusted.

Employee: _____

Date: _____

Appendix E

SAMPLE ACKNOWLEDGEMENT OF CONDITIONS FOR RETENTION BONUS

(Note: Use this only if the form of the payment is a lump-sum payment at the end of a designated period.)

I understand that:

1. BPA has decided to pay me a retention bonus in the amount of (*fill in amount in percentage terms*) of my hourly rate of basic pay for each hour during which I receive my basic rate of pay for the period noted below.
2. The payment will be made as a one-time lump-sum amount covering the period between (*fill in starting date*) and (*fill in ending date*).
3. Except as noted below, BPA is obligated to pay this bonus only if I remain employed by BPA in my current job of (*fill in job title*) at (*fill in duty station*) through (*fill in same ending date as above*).
4. If I am moved out of my job at my current duty station as a result of management action, or if BPA chooses to terminate the retention bonus, prior to (*fill in same ending date as above*), I will receive a pro-rated lump-sum bonus, the amount of which is equal to the amount of time served in my current job at my current duty station during the period noted in item no. 2 above.
5. Management has sole discretion to apply the provisions for pro-rata payment described in item no. 4 above in hardship situations in which I would be unable to remain in my current job at my current duty station for the entire period specified in item no. 2 above (e.g., medically documented on-the-job or off-the-job injury or illness that would render me unable to perform the essential duties of my job).
6. BPA may terminate the incentive bonus at any time. Continued payment of the bonus is subject to at least an annual review at which time it may be cancelled, reaffirmed, or adjusted.

Employee: _____

Date: _____

Appendix F

SAMPLE ACKNOWLEDGEMENT OF CONDITIONS FOR RETENTION PAYMENTS (COMBINATION OF CONTINUING AND LUMP-SUM PAYMENTS)

(Note: Use this only if the form of the payment is a combination of biweekly, continuing payments and a lump-sum payment at the end of a designated period.)

I understand that:

1. BPA has decided to provide me with retention payments in the amount of (*fill in amount in percentage terms*) of my hourly rate of basic pay for each hour during which I receive my basic rate of pay as described below.
2. The retention payments will be paid to me in two forms: (a) a portion will be paid in the form of biweekly, continuing payments; and (b) a portion will be paid as a lump-sum amount at the end of the period designated further below.

BIWEEKLY, CONTINUING PAYMENT:

3. I will be paid a retention incentive of (*fill in amount in percentage terms*) of my hourly rate of basic pay on a biweekly basis for each hour during a pay period in which I receive my basic rate of pay.
4. This payment is contingent on my continued service in my current job of (*fill in job title*) at (*fill in duty station*).
5. Management may terminate the incentive payment at any time.
6. Continued payment of the incentive is subject to at least an annual review at which time it may be cancelled, reaffirmed, or adjusted.

LUMP-SUM PAYMENT:

7. The lump-sum payment will equal (*fill in amount in percentage terms*) of my hourly rate of basic pay for each hour in which I receive my basic rate of pay between the period starting (*fill in starting date*) and ending (*fill in ending date*).
8. Except as noted below, BPA is obligated to pay this bonus only if I remain employed by BPA in my current job of (*fill in job title*) at (*fill in duty station*) through (*fill in same ending date as above*).

9. If I am moved out of my job at my current duty station as a result of management action, or if BPA chooses to terminate the retention bonus, prior to (*fill in same ending date as above*), I will receive a pro-rated lump-sum bonus, the amount of which is equal to the amount of time served in my current job at my current duty station during the period noted in item no. 7 above.
10. Management has sole discretion to apply the provisions for pro-rata payment described in item no. 9 above in hardship situations in which I would be unable to remain in my current job at my current duty station for the entire period specified in item no. 7 above (e.g., medically documented on-the-job or off-the-job injury or illness that would render me unable to perform the essential duties of my job).
11. BPA may terminate the incentive bonus. Continued payment of the bonus is subject to at least an annual review at which time it may be cancelled, reaffirmed, or adjusted.

Employee: _____

Date: _____

Attachment 3

**BONNEVILLE POWER ADMINISTRATION
HUMAN RESOURCES
Portland, Oregon**

PERSONNEL LETTER NO. 575-2 (Revised)

DATE: January 31, 2003

SUBJECT: Recruitment Bonuses, Relocation Bonuses, and Retention Allowances for Annual Employees

I. PURPOSE

To describe Bonneville Power Administration (BPA) policy and procedures for the use of recruitment/relocation bonuses, and retention allowances authorized by the Federal Employees Pay Comparability Act of 1990 (FEPCA) for BPA annual employees.

II. PURPOSE OF REVISION

To amend the references and clarify employees' responsibility to repay recruitment and/or relocation bonuses should they fail to meet the terms of their service agreement. This issuance replaces Personnel Letter 575-2 (Revised), dated July 13, 2001.

III. REFERENCES

- A. 5 U.S.C., Chapter 57, Subchapter IV, Miscellaneous Provisions
- B. 5 CFR, Part 530, Subpart B, Aggregate Limitation on Pay
- C. 5 CFR, Part 575, Subpart A, Recruitment Bonuses, Subpart B, Relocation Bonuses, and Subpart C, Retention Allowances
- D. 31 U.S.C., Subtitle III, Chapter 37, Subchapter II, Sections 3701, 3716 and 3717
- E. Bonneville Power Administration Personnel Letter No. 530-3

IV. POLICY

- A. BPA will use recruitment bonuses, relocation bonuses, retention allowances, and/or any other recruitment or retention incentive authorized by law or regulation when necessary to attract or retain highly qualified employees.
- B. BPA will use the least costly incentive or combination of incentives necessary for any individual recruitment or retention.
- C. Recruitment bonuses, relocation bonuses, and retention allowances will be used only when there is a demonstrable need to use them in order to attract or retain highly qualified employees.

- D. All uses of recruitment or relocation bonuses will be authorized before the employee enters on duty in the new position. No recruitment or relocation bonuses will be approved after entry into the new position.
- E. Recruitment bonuses, relocation bonuses, and retention allowances will be authorized without regard to religious affiliation or non-affiliation, marital status, race, color, national origin, sex, age, or physical handicap. Decisions to use these authorities will not be based upon any personal relationship, patronage, or nepotism.
- F. It is mandatory that all organizations using retention allowances give careful consideration to an exit strategy. It is the responsibility of the organization to recruit and/or train sufficient replacement talent to ensure that the critical skills and competencies possessed by the individual(s) receiving these allowances are passed on to other employees on board, with the goal of eliminating the necessity of paying allowances for maintenance of these vital skills and competencies. Written requests for approval of retention allowances must address what is being done in this regard or why it is impractical to do anything.
- G. Prospective employees in receipt of a recruitment or relocation bonus must sign a written service agreement between BPA and the employee, under which the employee agrees to a specific period of employment with BPA (i.e., a minimum of 12 months except that a shorter period may apply for a relocation bonus for a temporary assignment that is less than 12 months in duration).
- H. A service agreement made under this policy in no way constitutes a right, promise, or entitlement for continued employment or noncompetitive conversion to the competitive service
- I. An employee who fails to complete the period of employment established under a service agreement will be indebted to the Federal Government and, within thirty (30) days of separation, must reimburse BPA on a pro rata basis for the amount of any recruitment and/or relocation bonus the employee received. The amount to be repaid shall be determined by providing credit for each full month of employment under the service agreement.

V. RESPONSIBILITIES AND AUTHORITIES

- A. The Senior Vice President, Employee and Business Resources, Bonneville Power Administration:
 - 1. Approves individual retention allowances up to 25% of basic pay and group retention allowances of up to 10% of basic pay.
 - 2. Approves modification of a retention allowance.

3. Reviews and concurs in all requests for waiver of repayment of recruitment or relocation bonuses.

B. Senior Vice Presidents and Vice Presidents:

1. Approve recruitment bonuses of up to 25% of the annual rate of basic pay to a newly appointed employee. **(At the discretion of a Senior Vice President or Vice President, this authority may be redelegated, in writing, down to a level within an organization that is at a minimum one level higher than the level of the first line supervisor of the position to which the recruitment bonus applies. All recruitment bonuses must be requested and approved in writing and, if approved, forwarded to Personnel Services for processing with the personnel action request.)**
2. Approve relocation bonuses of up to 25% of the annual rate of basic pay to an employee who must relocate to accept a position in a different commuting area. **(At the discretion of a Senior Vice President or Vice President, this authority may be redelegated, in writing, down to a level within an organization that is at a minimum one level higher than the level of the first line supervisor of the position to which the relocation bonus applies. All relocation bonuses must be requested and approved in writing and, if approved, forwarded to Personnel Services for processing with the personnel action request.)**
3. Review and concur in all requests for new or modified retention allowances and waivers of repayment of recruitment or relocation bonuses for their employees.
4. Assure annual review of retention allowances and submit to/through the Manager, Personnel Services, recommendations for cancellation, or requests for continuation or modification, as appropriate.
5. Approve termination of payment of a retention allowance.

C. Selecting Officials and Managers:

1. Negotiate and recommend recruitment/relocation bonuses and retention allowances with prospective and current employees to determine the least costly incentive or combination of incentives necessary to hire or retain an employee.
2. Prepare documentation for justification of recruitment/relocation bonuses and/or retention allowances.

D. The Manager, Personnel Services:

1. Through the Personnel Services staff, provides advice and assistance to managers on appropriate use of recruitment and relocation bonuses, retention allowance and

other authorities, and on the preparation of authorization request packages and required checklists (see attached appendices).

2. Maintains records of requests for recruitment and relocation bonuses, retention allowances, and waivers of repayment sufficient to allow full reconstruction of the action as necessary. Copies of backup documentation and final packages will be retained in an Official File in the Headquarters Personnel Services office for a minimum of 2 years or until the expiration of the service agreement, whichever is longer, regardless of final disposition of the request.
3. Extends employment offers to prospective employees, including any approved recruitment and/or relocation bonus. Processes approved retention allowances for current employees.

E. The Manager, Human Resources, Diversity and EEO:

1. Through the Human Resources staff, reviews for adequacy and regulatory compliance, all requests for approval to grant retention allowances, to continue, or modify retention allowances.
2. Recommends approval/disapproval of authorization requests prior to submission to the Senior Vice President, Employee and Business Resources, for final approval/disapproval.
3. Approves continuation of retention allowances up to 25%.

F. Staff Managers:

Assemble and review documentation packages for requests for recruitment/relocation bonuses and retention allowances; waiver of repayment of recruitment/relocation bonuses; and cancellation or modification of existing recruitment/relocation bonuses and retention allowances.

G. Employee and/or Applicants:

1. Provide any necessary documentation.
2. Submit written requests and justifications to support waiver of repayment of recruitment/relocation bonuses as appropriate.

H. Manager, Financial Operations:

Reviews and approves all requests for waiver of repayment of recruitment/relocation bonuses.

VI. CRITERIA AND PROCEDURES

Managers must be selective and judicious in requesting the use of recruitment/relocation bonuses and retention allowances.

- A. Requests for recruitment/relocation bonuses and retention allowances are considered on a case-by-case basis.
- B. Recruitment bonuses are used for individuals who are newly appointed to the Federal Government. "Newly appointed" is defined as the first appointment, regardless of tenure, as a Federal employee or an appointment following a break in service of at least one year.
- C. Recruitment bonuses will be used for appointments that are for a minimum period of 2 years or more.
- D. Recruitment bonuses may be requested for positions where the most recent traditional recruitment efforts have produced less than three highly qualified candidates, or in order to reach employment agreement with a specific applicant who has been found to possess demonstrably superior qualifications for a specific position. The use of the superior qualifications appointment authority is also a consideration in this situation. Requests must meet the test set forth in the Checklist for Approval of Recruitment Bonus (see Appendix A).
- E. Relocation bonuses are paid to employees who must relocate (i.e., a permanent change in duty station outside the commuting area) to accept a position in a different commuting area. The employee must relocate without a break in service and must be appointed without time limitation.
- F. Relocation bonuses may be paid when there is a determination that in the absence of such bonus, difficulty would be encountered in filling the position with a high quality candidate. An indicator of such difficulty would be where prior recruitment efforts have produced less than three highly qualified candidates within the minimum area of consideration. Requests must meet the test set forth in the Checklist for Approval of Relocation Bonus (see Appendix B). Relocation bonuses are payable in addition to payment of regular relocation expenses.
- G. Retention allowance up to 25% of an individual's basic pay may be paid to current employees who have completed 1 year of continuous service with the Agency when their unusually high or unique qualifications, or a special need of BPA for the employees' services, makes it essential to retain the employee. The allowance may be paid only if there is clear indication that the employee **might leave the Federal service** by retirement, for employment outside the Executive, Legislative, or Judicial Branch of the Federal Government, or for other reasons. Requests must meet the test set forth in the Checklist for Approval of Retention Allowance (see Appendix C). All employees

in receipt of a retention allowance must maintain a performance rating of record of Successful or higher performance. Upon issuance of a rating of record below the Successful level, a recipient's allowance will be terminated at the start of the pay period that begins after the effective date of the performance appraisal (i.e., generally, after the reviewing official for the rating signs the rating form).

SPECIAL NOTE: BPA **may not** pay a retention allowance to an individual who is likely to leave BPA employment for employment in the Executive, Legislative, or Judicial branch of the Federal Government, whether in the same or a different agency.

- H. Retention allowances of up to 10% of employees' basic pay may also be paid to a group or category of employees.
1. In defining such a group or category, the following factors may be appropriate: occupational series, grade level, distinctive job duties, unique qualifications, assignment to a special project, minimum agency service requirements, organization or team designation, or geographic location. (The written request for approval of this retention allowance must justify and reasonably substantiate the reasons why the criteria used to define the parameters of the group or category are appropriate.)
 2. If a BPA organizational entity wishes to make such a determination for a group or category of its employees, it must determine, in writing, that the employees in the defined group or category have unusually high or unique qualifications, or that it has a special need for the employees' services that makes it essential to retain the employees in that group or category. It must also determine whether it is reasonable to presume that there is a high risk that a significant number of employees in the targeted group or category are likely to leave Federal service in the absence of an allowance. This determination may be based on evidence of extreme labor market conditions, high demand in the private sector for the knowledge and skills possessed by the employees, significant disparities between Federal and non-Federal salaries, or other similar conditions.
 3. If approved, each individual in the targeted group or category must receive the same percentage retention allowance. However, this does not preclude an individual or individuals within the group or category from receiving an individual retention allowance (see V.G., previous), if warranted and approved by the Senior Vice President, Employee and Business Resources. Additionally, all requirements in the regulations and this personnel letter must be met in order to pay a retention allowance to an individual employee in the covered group or category. For example, a retention allowance may not be paid to an employee in the covered group or category who is fulfilling a recruitment or relocation bonus service agreement and each employee in the group/category must maintain a performance rating of record of Successful or higher performance.

- I. Retention allowances require annual review and written certification that the original conditions warranting payment of the allowance still exists. Requests to continue, or modify allowances if conditions have changed, must be submitted annually by May 1st to the Manager, Human Resources, Diversity and EEO. A recommendation to cancel individual or group retention allowances may be made at any time and must be approved by the Vice President and forwarded to Personnel Services for processing.
- J. Recruitment and relocation bonuses are paid in a lump sum and are a percentage of an employee's rate of basic pay. Retention allowances are paid as a percentage of an employee's basic pay on a continuing basis and in the same manner and at the same time as basic pay.
- K. Service Agreements (see Appendix D):
 - 1. Use of a recruitment or relocation bonus requires the employee to sign a service agreement for a minimum of 12 months with BPA before any payment can be made. However, a service agreement of less than 12 months may apply when the relocation bonus is for a temporary reassignment of less than 12 months. No service agreement is required for a retention allowance.
 - 2. Unless a waiver is approved, an employee who fails to complete the period of employment established under a service agreement will be indebted to the Federal Government and, within thirty (30) days of separation, must reimburse BPA on a pro rata basis for the amount of any recruitment and/or relocation bonus the employee received. The amount to be repaid shall be determined by providing credit for each full month of employment under the service agreement.
 - 3. Failure to complete the period of employment established under a service agreement occurs when the employee's service terminates before the employee completes the period of employment specified in the service agreement, unless the employee is involuntarily separated for reasons other than cause on charges of misconduct or delinquency.
 - 4. If an employee fails to reimburse BPA for the amount owed, it will be recovered from the employee under BPA's policy for collection by offset from an indebted Government employee under 5 U.S.C. 5514 and subpart K of part 550, 5 CFR, or through the appropriate provisions governing debt collection if the individual is no longer a Federal employee. If the employee fails to repay the amount within 30 days of separation, the repayment is subject to interest and late charges at BPA's current late payment interest rate for employee payback of debt and the current late charge fee schedule.
- L. Recruitment/relocation bonuses and retention allowances are subject to the limitation on aggregate pay for a calendar year, as defined in Title 5, Code of Federal Regulations, Part 530, Subpart B.

VII. PROGRAM EVALUATION

Use of the authorities in this Personnel Letter shall be reviewed annually. The Senior Vice Presidents and Vice Presidents for each BPA organizational entity using recruitment/relocation bonuses and retention allowances shall be responsible for providing, prior to April 1st of each year, to the Senior Vice President, Employee and Business Resources, statistical information regarding the extent to which each authority has been used, the amounts paid, and demographic information such as information on occupations, duty station, disability, and race and gender. In addition, this information shall evaluate the extent to which the authorities have alleviated recruitment and retention problems and also identify any operational problems encountered in administering the provisions of this Personnel Letter. The Senior Vice President, Employee and Business Resources, shall consolidate all information into an annual report to the Chief Operating Officer and the Chief Executive Officer.

SPECIAL EVALUATIVE NOTE FOR EMPLOYEES IN RECEIPT OF RETENTION ALLOWANCES: BPA employees currently receiving retention allowances who decide to leave employment at BPA for any reason are to be offered, in writing, the opportunity to participate in an exit interview. If this voluntary offer is accepted, the role the retention allowance played in the employee's decision to leave should be explored. Employee recommendations for the improvement of the retention allowance tool should also be ascertained. Results of such interviews should be forwarded to the Senior Vice President, Employee and Business Resources, and the Manager, Human Resources, Diversity and EEO, for review and analysis, as part of formal exit interviewing program reports.

Godfrey C. Beckett
Manager, Human Resources, Diversity and EEO

4 Attachments:

- Appendix A: Checklist for Approval of Recruitment Bonus
- Appendix B: Checklist for Approval of Relocation Bonus
- Appendix C: Checklist for Approval of Retention Allowance
- Appendix D: Service Agreement for Recruitment/Relocation Bonuses

APPENDIX A

CHECKLIST FOR APPROVAL OF RECRUITMENT BONUS

Part I: APPOINTMENT DATA

1. Name of selectee: _____
2. Position to which the individual will be appointed. Include title, series, grade, step, and salary: _____

3. Is this a new appointment within the meaning of 5 CFR 575.103? Y / N
4. Has a written offer of employment been made? (Attach copy) Y / N
5. A. Has employee entered on duty yet? Y / N
B. Date employee is scheduled to enter on duty: _____
6. Is the appointment:
 - A. To the General Schedule? Y / N
 - B. To a senior-level or scientific or professional position under 5 U.S.C. 5376? Y / N
 - C. To the Senior Executive Service? Y / N
 - D. To an Executive Schedule position? Y / N

If the answer to question 3 or 4 is "no," the bonus cannot be approved. If the answer to question 5A is "yes," the bonus cannot be approved. At least one part of question 6 must be answered "yes," or the bonus cannot be approved.

Part II: WRITTEN DETERMINATION FOR DECISION TO USE RECRUITMENT BONUS (Copy of written determination must be attached.)

1. Has there been a written determination that, in the absence of the bonus, the Agency would encounter difficulty in filling the position with a high quality candidate? Y / N
2. Was the determination made based on facts specific to this case, as opposed to using a blanket approach? Y / N

If the answer to question 1 or 2 is "no," the bonus cannot be approved.

3. The written determination has been considered and contains discussion of the following factors:

A. Difficulty in recruiting high quality candidates for similar positions such as:

i. Offer acceptance rates. Y / N / NA

ii. Proportion of similar positions filled. Y / N / NA

iii. Length of time required to fill similar positions. Y / N / NA

iv. Other indicators of difficulty. Y / N / NA

B. Recent turnover in similar positions. Y / N / NA

C. Labor market factors that may affect the ability of the agency to recruit high quality candidates for similar positions in the future. Y / N / NA

D. Special qualifications needed for the position. Y / N / NA

E. The practicality of using the superior qualifications appointment authority alone or in combination with the recruitment bonus. Y / N / NA

F. Other factors. Y / N / NA

4. Were other incentive authorities considered for use either alone or in combination with a recruitment bonus? Y / N / NA

Part III. DETERMINATION OF AMOUNT AND SERVICE AGREEMENT

(A written determination of how the amount was decided must be attached.)

1. How large a recruitment bonus will be necessary? _____ %
of salary

2. How long a period of service will the agreement require?
(see section VI.K.1 of BPA Personnel Letter 575-2) _____
Months

APPENDIX B

CHECKLIST FOR APPROVAL OF RELOCATION BONUS

Part I: APPOINTMENT DATA

1. Name of employee: _____
2. A. Is this a BPA employee? Y / N
B. If yes, BPA office in which currently employed: _____
C. If not, name of agency in which he/she is currently employed: _____
3. A. Position to which the individual will be appointed or relocated. Include title, series, grade, step, and salary: _____
B. Name of organization and geographic location of new position: _____
4. Is the employee:
 - A. Being appointed without a break in service to a position in a different commuting area? Y / N
 - B. Serving under an appointment without a definite time limitation and his/her duty station is being changed permanently? Y / N
5. A. Has the employee entered on duty in the new position and/or commuting area? Y / N
B. Date employee is scheduled to enter on duty: _____
6. Is the appointment:
 - A. To the General Schedule? Y / N
 - B. To a senior-level or scientific or professional position paid under 5 U.S.C. 5376? Y / N
 - C. To the Senior Executive Service? Y / N
 - D. To a law enforcement position? Y / N

- | | |
|--|-------|
| E. To an Executive Schedule position? | Y / N |
| F. By the President to a position in the executive branch of the Federal Government? | Y / N |

If the answer to question 4A or 4B is “no,” the bonus cannot be approved. If the answer to question 5A is “yes,” the bonus cannot be approved. At least one part of question 6 must be answered “yes,” or the bonus cannot be approved.

Part II: WRITTEN DETERMINATION FOR DECISION TO USE RELOCATION BONUS (Copy of written determination must be attached.)

- | | |
|--|-------|
| 1. Is there a written determination that, in the absence of the bonus, the Agency will encounter difficulty in filling the position with a high quality candidate? | Y / N |
| 2. Was the determination made based on facts specific to this case (as opposed to using a blanket approach)? | Y / N |

If the answer to question 1 or 2 is “no,” the bonus cannot be approved.

- | | |
|--|------------|
| 3. The written determination considered the following factors: | |
| A. Difficulty in recruiting high quality candidates for similar positions in the same commuting area such as: | |
| i. Offer acceptance rates. | Y / N / NA |
| ii. Proportion of similar positions filled. | Y / N / NA |
| iii. Length of time required to fill similar positions. | Y / N / NA |
| iv. Other indicators of difficulty. | Y / N / NA |
| B. Recent turnover in similar positions. | Y / N / NA |
| C. Labor-market factors that may affect the ability of the Agency to recruit high quality candidates for similar positions now or in the future. | Y / N / NA |
| D. Special qualifications needed for the position. | Y / N / NA |
| E. Other factors. | Y / N / NA |
| 4. Is payment of regular relocation expenses also being authorized? | Y / N |

Part III: DETERMINATION OF AMOUNT OF BONUS AND SERVICE AGREEMENT

(A written determination of how the amount was decided must be attached.)

1. How large of a relocation bonus will be necessary? _____ %
of salary
2. How long a period of service will the agreement require? _____
(see section VI.K.1. of BPA Personnel Letter 575-2) Months

APPENDIX C

CHECKLIST FOR APPROVAL OF RETENTION ALLOWANCE

Part I: EMPLOYEE DATA

1. Name of employee: _____
2. Position which the employee holds. Include title, series, grade, step, and salary: _____

3. Has the employee:
 - A. Completed 1 year of continuous service with the Agency? Y / N
 - B. Completed all periods of employment required under service agreements for recruitment or relocation bonuses? Y / N / NA
4. Is the employee serving:
 - A. Under the General Schedule? Y / N
 - B. In a senior-level or scientific or professional position paid under 5 U.S.C. 5376? Y / N
 - C. In the Senior Executive Service? Y / N
 - D. In an Executive Schedule position? Y / N
5. Is the employee likely to **leave the Federal Service** with the immediate intention of retirement, of beginning employment outside the executive, legislative, and judicial Branches of the Federal Government, or for other reasons (state in writing)? Y / N

If the answer to question 3A or 3B is "no," the allowance cannot be approved. At least one part of question 4 must be answered "yes," or the allowance cannot be approved. If the answer to question 5 is "no," the allowance cannot be approved.

Part II: WRITTEN DETERMINATION FOR DECISION TO USE RETENTION ALLOWANCE (Copy of written determination must be attached.)

1. Is there a written determination that:
 - A. The unusually high or unique qualifications of the employee makes it essential to retain the employee's

- services. Y / N
- B. A special need by BPA for the employee's services makes it essential to retain the employee. Y / N
- C. In the absence of such an allowance, the employee is likely to leave the Federal service. Y / N
2. Does the determination include a written description of the extent to which the employee's departure would affect the Agency's ability to carry out an activity or perform a function that is deemed vital to the Agency's mission? Y / N
- If the answers to both question 1A and 1B are "no," or the answer to question 1C is "no," the allowance cannot be approved. If the answer to question 2 is "no," the allowance cannot be approved.
3. The written determination considered the following factors:
- A. Difficulty that would be encountered in efforts to recruit candidates with qualifications similar to those possessed by the employee for positions similar to the position held by the employee. Y / N / NA
- B. The availability in the labor market of candidates for employment who, with minimal training or disruption of service to the public, could perform the full range of duties and responsibilities assigned to the position held by the employee. Y / N / NA
- C. Other factors. Y / N / NA
4. **EXIT STRATEGY** - The written determination addresses:
- The necessity to establish a special recruitment/training strategy and/or effort to ensure the identification and development of other employees with the necessary skills and competencies in order to eliminate the necessity of paying future retention allowances? Or it contains information which explains why it is impractical to do this? Y / N

If the answer to this question is "no", the allowance cannot be approved.

Part III: DETERMINATION OF AMOUNT OF ALLOWANCE

(A written determination of how the amount was decided must be attached.)

1. How large a retention allowance will be necessary? _____ %
of salary
2. Will this allowance cause the annual rate of pay for this employee to exceed the rate payable for level I of the Executive Schedule? Y / N

If the answer to question 2 is "yes," the allowance cannot be approved unless the amount is reduced to a level that results in a "no" answer.

APPENDIX D

SERVICE AGREEMENT FOR RECRUITMENT/RELOCATION BONUSES

1. I AGREE that, by accepting this recruitment/relocation (circle one) bonus, I will serve at least 1 year for the Bonneville Power Administration from the effective date of this personnel action.
2. If I voluntarily leave the Bonneville Power Administration before completing the one (1) year of service agreed to in item 1 above, or if I am involuntarily separated because of misconduct, I AGREE to repay the entire amount of the recruitment allowance/relocation bonus I have received. If I do not repay the entire amount within 30 days of separation, I will be charged interest and late charges.

Employee: _____

Date: _____

Selecting Official: _____

Date: _____

Human Resources Specialist: _____

Date: _____

Attachment 4

-----Original Message-----

From: Bennett, Ruth - K-7
Sent: Monday, February 03, 2003 5:01 PM
To: ADL_MANAGERS
Subject: Managers Update

This is a difficult time to be a manager at BPA. This memo focuses on revisions to this year's awards program, prospective review of retention allowances and this year's employee survey.

Thanks for your questions at our quarterly managers' meeting last week and during our Jan. 16 managers' conference call. The attached notes of the Jan. 16 call include links to the new Business Efficiencies Project web site and related talking points.

Revised 2003 awards program

Earlier this year, we said we'd reduce the awards program for 2003 by 50 percent. (Our award program had a potential funding potential of \$18 million in 2002 and actually paid out \$13 million.) After this round of cuts, the 2003 budget funded 4 percent plus a .5 percent Success Share stretch, or roughly \$9 million for all awards.

Now, while we are maintaining the structure of the awards program, the agency's finances are such that we need to further substantially cut the awards budget.

It is very likely that we will announce to the region later this week that we will trigger the safety-net cost recovery adjustment clause in power rates. This adjustment is likely to be double-digit. As you might imagine, this will put additional strain on the region's economic recovery and bring additional attention to BPA. We must demonstrate to our customers, Congress and the public that we are doing everything we can to improve our financial situation.

Furthermore, we have asked all of BPA's cost partners to cut their costs. This includes the U.S. Army Corps of Engineers, Bureau of Reclamation, fish agencies and Energy Northwest. We must demonstrate that we are doing ourselves what we are asking of them.

The Executive Board believes we need to reduce the budget for 2003 awards to less than \$1 million. To achieve this, the Executive Board has proposed to allocate each Business Line the equivalent of \$100 per person as its awards budget for the rest of this fiscal year. This would hold the awards program around the million-dollar range for fiscal year 2003. This does not mean each employee should expect to get \$100. It simply describes the size of the remaining funding pool.

This action is now before the bargaining units for their review, which may take about a month, after which the changes would go into effect immediately. I want to give you an advance appreciation of the direction we're headed. This guidance will remain in effect for the rest of fiscal year 2003. The 2004 program will likely provide similar guidance, at least for the first half of that fiscal year.

Cutting costs doesn't mean cutting thanks

Each Business Line will decide how best to use its limited funds in a way that is most constructive for its organization and employees. One business line might decide to use the entire amount on employee celebrations. Another might use most of the money for small On-the-Spot awards or gift certificates. You know what will best motivate and encourage your staffs. I know you'll supplement the limited funds with frequent expressions of appreciation for work well done. Indeed, doing so is even more important now to achieve a culture of recognition at BPA. Your feedback so far suggests our employees understand that BPA really is in tough financial shape and that they're ready to help. It's a matter of giving them motivation, alignment and encouragement without spending much money. Here's what we'll have to work with:

The following awards will remain unchanged:

- All safety-based awards
- The Administrator's Excellence Awards and related expenses
- People-to-People Awards (The expense was incurred when the certificates were distributed last fall.)

Use of the remaining budget would focus on tools that carry small price tags:

- On-the-Spot and Individual Results awards (not to exceed \$100)
- Time-off awards (equivalent costs not to exceed \$100)
- Organizational honorary awards
- Informal recognition, such as merchandise or gift certificates (\$25 or less)
- Celebration events, including refreshments permitted under the existing Recognition Program policy
- New Idea Program suggestions that are adopted and produce intangible benefits (These should be recognized through On-the-Spot or time-off awards or informal recognition as described above.)

The following awards will not be used for the rest of 2003:

- Cross-agency awards
- Employee referral program awards

Note that, since there are no individual awards in excess of \$100 that means there will be no payout to executives or managers for successfully accomplishing their 2003 targets or contracts.

Success Share and Team Share not funded

Neither BPA Success Share nor Organizational Team Share for fiscal year 2003 will be funded under the revised awards budget. Instead, both will be treated as stretch targets this year. They would be paid out only if the agency achieved significant positive net revenues in 2003, exclusive of fish credits or use of proceeds from Energy Northwest debt refinancing. Achieving these targets currently seems very unlikely. If BPA does reap net revenues this year, the maximum payout possible will be equal to 0.5 percent for Success Share and 2 percent for Organizational Team Share, based on BPA's straight-time payroll.

Expect another look at retention allowances

A number of you have told me you'd expect BPA to consider cutting retention allowances if recognition awards are cut. We're going to take another hard look at labor market conditions and the resulting need for such payments. As with recognition awards, the budget for retention awards was reduced by 25 percent earlier this year, and further reductions are likely.

But I also want to emphasize that the two programs achieve different goals.

- Recognition awards help motivate all employees and align us around meeting BPA's goals and targets. They are meant to recognize achievements rather than retain employees.
- Retention allowances are used specifically to assure we can compete effectively in the labor market and retain key people who would be difficult or impossible to replace, and whose skills are crucial to our core business. Their use as a retention tool is tied to labor market conditions rather than performance.

No "Great Place to Work®" survey this year

Also as a result of cost cutting, we will not contract with the Great Place to Work® Institute to conduct our employee survey this year. Eliminating this contract in fiscal year 2003 will save around \$55,000. Instead, we will do our own internal survey using the HPO questions we last asked in 2001, perhaps supplemented by some of the questions from the DOE employee survey from last year. This will allow us to track progress on our HPO elements over time, so we won't lose the continuity.

As we move forward through this difficult period, please let me know as you have thoughts or suggestions on how we can best keep you informed. Your work is crucial to BPA's success.

Attachment 5

Name	Official Position Title	Pay Plan	Grade	Salary	Retention Allowance
Aggarwal, Ravi Kumar	Electrical Engineer	GS	13	77,499.00	80.00
Alling, Mathew G	Senior System Dispatcher	BS	00	92,892.00	676.80
Anderson, Brenda S	Customer Account Executive (Trader)	GS	14	94,276.00	615.20
Arp, Gayland T	Physical Scientist (Power Operations Specialist)	GS	14	88,888.00	213.60
Balla, E Nicia	Public Utilities Specialist (Loads & Transmission Acquisition Scheduler)	GS	13	72,940.00	100.00
Baribeault, Arthur A	Senior System Dispatcher	BS	00	92,892.00	1,424.00
Barton, Steven B	Physical Scientist (Power Operations Specialist)	GS	14	80,806.00	194.40
Bennett, Ruth B	Sales and Customer Service Manager	GS	15	123,565.00	806.40
Bermejo, Juergen M	Risk Analyst	GS	13	77,499.00	505.60
Berry, William A	Power Operations Specialist (Team Lead)	GS	14	91,582.00	345.60
Biersterfeld, KC	Public Utilities Specialist (Loads & Transmission Acquisition Scheduler)	GS	12	57,504.00	157.60
Bolas, Angela E	Physical Scientist (Power Operations Specialist)	GS	14	88,888.00	213.60
Bond, Mark S	Electrical Engineer	GS	15	114,060.00	117.60
Bonneville, Stephen J	Public Utilities Specialist (Loads & Transmission Acquisition Scheduler)	GS	13	70,660.00	96.80
Bradley, Michael L	Public Utilities Specialist (Duty Scheduler)	GS	13	82,059.00	338.40
Brannam, Iris S	Public Utilities Specialist (Duty Scheduler)	GS	13	77,499.00	319.20
Buskuhl, Carl T	Senior Risk Analyst	GS	14	94,276.00	615.20
Caine, Thomas E	Power Operations Specialist	GS	14	102,357.00	386.40
Caliman, Pamela D	Public Utilities Specialist (Loads & Transmission Acquisition Scheduler)	GS	12	61,337.00	168.80
Carter, Gloria J	Supervisory Public Utilities Specialist	GS	14	96,969.00	400.00
Carter, Lawrence D	Electrical Engineer	GS	12	61,337.00	68.80
Castro, Zina-Marie	Public Utilities Specialist (Duty Scheduler)	GS	12	57,504.00	236.80
Cimmetry, Vern W	IT Specialist (SYSANALYSIS)	GS	13	86,618.00	624.80
Cobb, Marshall	Physical Scientist (Power Operations Specialist)	GS	13	77,499.00	292.80
Connolly, Kieran P	Public Utilities Specialist	GS	14	88,888.00	580.00
Courts, Alan L	Vice President for Engineering and Technical Services	GM	15	122,676.00	505.60
Davis, Michael C	Senior System Dispatcher	BS	00	92,892.00	676.80
Davis, Steven T	Physical Scientist (Power Operations Specialist)	GS	13	79,779.00	301.60
Declerck, Angela R	Public Utilities Specialist	GS	14	88,888.00	580.00
Dewitt, Daniel L	Physical Scientist (Power Operations Specialist)	GS	14	86,194.00	207.20
Dinan, Jerry E	Accountant	GS	14	96,969.00	399.20
Donald, Mary E	Public Utilities Specialist (Lead Duty Scheduler)	GS	14	83,500.00	229.60
Driessen, Laurens C	Civil Engineer	GS	15	107,724.00	924.80
Eddy, Robert R	General Engineer	GS	14	96,969.00	266.40
Edmondson, Robert J	Public Utilities Specialist (Duty Scheduler)	GS	13	77,499.00	319.20
Emery, Melinda C	Public Utilities Specialist (Pre-Scheduler)	GS	13	75,220.00	77.60
Erdmann, Sylvia A	Physical Scientist (Power Operations Specialist)	GS	13	79,779.00	301.60
Ferron, Dyson P	Electrical Engineer	GS	12	72,838.00	80.80
Folts, John E	Physical Scientist	GS	14	88,888.00	336.00
Frick, Lawrence J	Electrical Engineer	GS	13	88,898.00	91.20
Frith, Katherine C	Public Utilities Specialist (Technical Specialist)	GS	13	75,220.00	309.60
Furumasu, Larry A	Electrical Engineer	GS	14	96,969.00	100.00
Gabbard, Ronnie E	Substation Operator	BB	00	60,022.00	436.80
Glenn, Ann J	Public Utilities Specialist (Duty Scheduler)	GS	13	75,220.00	309.60
Gronquist, James F	Electrical Engineer	GS	13	86,618.00	89.60
Halpin, Francis J	Power Operations Specialist	GS	14	91,582.00	597.60
Hammack, Deborah Lee	Electrical Engineer	GS	12	59,420.00	67.20
Hawkins, Carol M	Public Utilities Specialist (Duty Scheduler)	GS	13	68,381.00	281.60
Hickok, Steven G	Deputy Administrator	ES	00	142,500.00	564.80
Hillier, Ellen J	Public Utilities Specialist (Pre-Scheduler)	GS	13	70,660.00	24.00
Hitchens, Stephen B	Electrical Engineer	GS	13	77,635.00	82.40
Holeman, William D	IT Specialist (DATAMGT)	GS	14	91,582.00	503.20
Holman, Robert A	Physical Scientist (Power Operations Specialist)	GS	13	82,059.00	309.60
Horvath, Julius G	Electrical Engineer	GS	12	57,504.00	64.80
Humphrey, Kristy J	Public Utilities Specialist	GS	13	75,220.00	309.60
Hutchison, Wesley A	Public Utilities Specialist	GS	14	94,276.00	452.80
Huynh, Nhan D	Engineering Technician	GS	09	39,653.00	122.40
Itami, Richard J	Manager, Eastern Power Business Area	GS	15	120,245.00	551.20
Jackson, Linda M	Physical Scientist (Power Operations Specialist)	GS	13	75,220.00	284.00
Johns, Michael C	Supervisory General Engineer	GS	15	123,565.00	508.80
Johnson, Alvin R	Manager, Dittmer Dispatch	GS	14	105,051.00	901.60
Johnson, Frederick M	Vp for Trans Field Svcs-Tbl	ES	00	142,500.00	564.00
Johnson, Kevin M	Power Operations Specialist	GS	14	88,888.00	336.00
Keenan, Gerald L	Electrical Engineer	GS	14	86,194.00	88.80
Kelly, Francis C	Public Utilities Specialist (Pre-Scheduler)	GS	13	75,220.00	25.60
King, Nelson R	Manager, Project Management	GS	15	104,555.00	139.20
Kitali, Salah H	Public Utilities Specialist (Lead Duty Scheduler)	GS	14	91,582.00	251.20
Kitchen, Lawrence E	Senior Customer Account Executive	GS	15	120,397.00	496.00

Kohne, Kyle R	Electrical Engineer	GS	13	79,779.00	301.60
Kosterev, Dmitry	Electrical Engineer	GS	14	91,582.00	94.40
Kreipe, Mike J	Electrical Engineer	GS	14	99,663.00	102.40
Lamb, William D	Customer Account Executive (Trader)	GS	14	96,969.00	632.80
Landauer, Marvin J	Electrical Engineer	GS	15	110,892.00	456.80
Lavier, Bruce E	Supervisory Electrical Engineer	GS	14	94,364.00	832.80
Le, Nga Trong	Customer Account Executive (Trader)	GS	14	94,276.00	615.20
Leathley, Kimberly A	Manager, Business Strategy, Finance	GS	15	101,387.00	278.40
Linn, Young S	Customer Account Executive (Trader)	GS	14	99,663.00	650.40
Linson, Trudy W	Manager, Asset Management	GS	14	91,582.00	377.60
Lovell, Byrne E	Policy Strategist	GS	15	114,060.00	587.20
Marshall, Pamela J	Vice President for Strategic Planning	GS	15	117,229.00	604.00
Matthews, Charles E	Electrical Engineer	GS	14	88,888.00	91.20
McNeil-Keister, Jean	Public Utilities Specialist(Lead Duty Scheduler)	GS	14	96,969.00	266.40
McNulty, Dennis E	Electrical Engineer	GS	13	88,898.00	91.20
Meininger, Daryl L	Senior System Dispatcher	BS	00	92,892.00	213.60
Mellmer, Lynne A	Peoplesoft Business Analyst	GS	14	94,276.00	388.80
Mesa, Philip A	Public Utilities Specialist (Technical Specialist)	GS	14	102,357.00	421.60
Meyer, Charles E	Vice President for Transmission Marketing and Sales	ES	00	142,341.00	391.20
Miranda, Lewelyn N	Public Utilities Specialist(Loads& Transmission Acquisition Scheduler)	GS	13	68,381.00	93.60
Mitman, Nancy M	Manager, Finance and Cost Management	GS	14	94,276.00	388.80
Murphy, James P	Electrical Engineer	GS	12	72,838.00	80.80
Neal, Robert E	Physical Scientist (Power Operations Specialist)	GS	14	91,582.00	220.00
Nelsen, Lowell D	Power System Control Craftsman II	BB	00	69,351.00	398.40
Nelson, Marg C	Vice President for Business Line Management & Services	GS	15	123,565.00	806.40
Newby, Jeffery S	Electrical Engineer	GS	12	57,504.00	64.80
O'Leary-Brattebo, Jane L	Public Utilities Specialist	GS	14	83,500.00	229.60
Oliver, Stephen R	Vice President, Bulk Marketing & Transmission Services	ES	00	142,341.00	244.00
Pearson, Terrin L	Hydraulic Engineer	GS	14	102,357.00	668.00
Pedersen, Margaret E	Public Utilities Specialist	GS	14	86,194.00	325.60
Pederson, Victoria M	Public Utilities Specialist (Technical Specialist)	GS	13	79,779.00	328.80
Pirie, Robert W	Public Utilities Specialist(Loads& Transmission Acquisition Scheduler)	GS	13	75,220.00	103.20
Randall, James L	Electrical Engineer	GS	13	77,499.00	80.00
Randolph, Kimberly L	Physical Scientist (Power Operations Specialist)	GS	14	45,925.00	200.80
Rettenmund, Frederic D	Customer Account Executive	GS	15	120,245.00	381.60
Roach, Randy A	Senior Vice President & General Counsel	ES	00	142,341.00	244.00
Rodrigues, Melvin T	Electrical Engineer	GS	14	94,276.00	96.80
Rogoski, Julie	Public Utilities Specialist (Transmission Scheduler)	GS	13	84,338.00	347.20
Rojas, Gustavo D	Physical Scientist (Power Operations Specialist)	GS	13	75,220.00	284.00
Rolstad, Tracy L	Electrical Engineer	GS	13	82,059.00	507.20
Rose, Michael A	Energy Efficiency Representative	GS	13	82,059.00	394.40
Rotella, Judy C	Public Utilities Specialist(Loads& Transmission Acquisition Scheduler)	GS	13	68,381.00	93.60
Rydell, Kendall A	Electrical Engineer	GS	13	77,499.00	80.00
Savage, Jamie E	Public Utilities Specialist(Loads& Transmission Acquisition Scheduler)	GS	12	65,171.00	179.20
Schafman, Jolene M	Electrical Engineer	GS	13	82,059.00	338.40
Scheel, Steven D	Physical Scientist (Power Operations Specialist)	GS	14	88,888.00	213.60
Schiewe, Roger P	Hydraulic Engineer	GM	14	105,051.00	432.80
Schneider, Karl W	Electrical Engineer	GS	12	61,337.00	68.80
Schuff, Allan R	Power Operations Specialist	GS	14	96,969.00	366.40
Sherry, Neal G	Public Utilities Specialist (Duty Scheduler)	GS	13	88,898.00	366.40
Smith, Gayland B	Public Utilities Specialist(Lead Duty Scheduler)	GS	14	83,500.00	229.60
Sporysz, John P	Duty Transmission Acquisition Specialist	GS	14	88,888.00	336.00
Stadler, Lawrence W	Electrical Engineer	GS	13	86,618.00	89.60
Stone, Flurry D	Physical Scientist (Power Operations Specialist)	GS	13	88,898.00	336.00
Tesema, Berhanu K	Electrical Engineer	GS	13	77,499.00	80.00
Thai, Melissa L	Public Utilities Specialist	GS	13	79,779.00	328.80
Timberman, Toni L	Electrical Engineer	GS	13	79,779.00	82.40
Tuck, Brian A	Electrical Engineer	GS	13	79,779.00	82.40
Vanzandt, Vickie A	Vp For Ops & Planning-Tbl	ES	00	142,500.00	410.40
Viles, Michael R	Electrical Engineer	GS	14	96,969.00	100.00
Walker, Melody L	Public Utilities Specialist(Loads& Transmission Acquisition Scheduler)	GS	13	70,660.00	96.80
Watkins, Donald S	Manager, Technical Operations	GS	15	107,724.00	369.60
Westbrook, Thomas C	Public Utilities Specialist(Lead Duty Scheduler)	GS	14	91,582.00	251.20
Whitney, Caroline A	TBL Public Affairs Manager	GS	15	123,565.00	848.80
Wick Jr, Martin A	Electrical Engineer	GS	12	57,504.00	64.80
Wiggerhaus, Sylvia J	Electrical Engineer	GS	13	75,220.00	77.60
Wilczewski, Mark E	Public Utilities Specialist (Technical Specialist)	GS	14	83,500.00	344.00
Young, Gordon J	Public Utilities Specialist(Lead Duty Scheduler)	GS	14	88,888.00	244.00

Attachment 6

-----Original Message-----

From: Bennett, Ruth - K-7
Sent: Thursday, February 27, 2003 3:51 PM
To: ADL_MANAGERS
Subject: Executive Board Review of Retention Allowance Use

At its February 25 meeting, the Executive Board reviewed BPA's use of retention allowances for annual and hourly employees. While an annual review is required each year, typically in the spring, the Board decided to accelerate the review this year. The result is that the Board has decided to discontinue all existing retention allowance payments, using the process described below.

Nearly all retention allowances will be terminated on June 1. (Exceptions will be made for a very small number of employees, as explained further below.) The reason for this decision is that the Board believes it is appropriate to assume a higher level of risk (of losing current recipients), given our dire financial circumstances and the depressed nature of the labor markets in which BPA competes for talent. In essence, we are testing the market. We hope we will not lose appreciable numbers of current employees, because our circumstances will require all of our current skills to succeed. Nevertheless, given our constrained financial situation, the Board believes this to be a prudent and necessary action.

The June 1 termination date was picked for a couple of reasons. First, it is close to the annual review date in BPA's policy. Second, it provides recipients with some advance notice so that they can make any necessary adjustments to retirement allotments or other personal affairs.

It is expected that there may be a handful of recipients for whom it will be critical to defer termination until later in the calendar year. If a recipient is on point for a very critical project that extends beyond June 1, and there is insufficient expertise to replace the recipient during a critical time line for the project, Senior Vice-Presidents will have the authority to defer termination until a more prudent time not to exceed December 31st of this year. This is expected to apply to very few recipients, most likely less than a dozen of the current 136 recipients.

Looking ahead, it is important to note that BPA is not canceling its retention allowance policies. The policies will remain on the books to be used to authorize new allowances when deemed appropriate. For example, BPA may find itself in a very different labor market situation a year or two from today. It is also possible that the Board would need to revisit its decision if the risks we are taking turn out to be too great or very large numbers of recipients leave. However, any decision to use this important staffing tool in the future will not occur without first being discussed by the Executive Board.

This action is not taken lightly and does not reflect in any way the value in which we hold any of our employees. Similar to our recent decision on funding for recognition programs, it is a tough judgment call to make - prompted by extreme circumstances-- but it is also the right decision to make at this time.